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ALEXI PANEHAL

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INTERVIEW

Q: This is Carol Peasley, and this is interview number one with Alexi Panehal. It is November 6, 2023. So, Alexi, first we are delighted to have this chance to interview you and we would like to start with you talking a little bit about where you were born and a bit about your family and siblings and your early background.

Childhood, Family, Education, and Early Background

PANEHAL: Ok, I was born and raised on the west side of Cleveland. If anybody is from Cleveland the first question you always ask is are you from the east side or the west side because they are different cultures, different ethnic groups, different racial groups that live on each side of the Cuyahoga River that divides the city. So, it kind of defines who you are. So, I am from the west side of Cleveland, born and raised in the city itself but I was two blocks from a suburb called Lakewood.

There were five of us kids in the family. My dad is Slovak-American, he is second generation. My mom is Irish-German. She is a fourth generation American. We grew up going to my Slovak grandmother's house every Sunday for chicken soup with all of my cousins and aunts and uncles. My mom got involved in politics when John Kennedy was assassinated. She became the vice president of the League of Women Voters. She was then appointed to the Cleveland City Planning Commission. In 1971, she ran for Cleveland City Council. In 1974 she was elected to the Ohio House of Representatives. She was later elected the first female majority whip in the Ohio House of Representatives.

In 1980 I ran for State Representative in the district contiguous to hers. I ran against the incumbent Democrat. I knew I was going to be defeated, but it was an interesting experience.

Q: That was when?

PANEHAL: 1980, when I ran for office.

Q: OK, that is when you were still working for USAID.

PANEHAL: No, in 1980.

Q: Oh yes it was just before you started.

PANEHAL: Yeah, before I started working for USAID. In the process of being involved in politics I was running various volunteer campaigns for candidates and one of the campaigns I worked on was Dick Celeste when he first ran for state representative. He had been special assistant to Ambassador Chester Bowles in India. I also baby sat for their three kids. So, when I was in high school, Chester Bowles came to Dick's house to do a fundraiser for him. There I met Ambassador Bowles and he gave me an autographed copy of his book, *Promises to Keep*. That is how I got interested in international development.

Q: Dick Celeste had been a Peace Corps volunteer, had he not?

PANEHAL: He had been a Peace Corps volunteer and Peace Corps Director of course. He was the State representative when I worked on his first campaign, and then my mom ran for his seat when Dick ran for lieutenant governor. Then he was elected governor. Later he became president of Colorado College. The Celeste's also had a house on Kelley's Island. It is where my family also had a summer cottage.

Q: OK, very good. Can I go back a minute to your description of Cleveland. You lived on the west side of Cleveland. Does that mean that the west side of Cleveland has more eastern European immigrants? Were other immigrants on the east side?

PANEHAL: Yeah, the west side were the Irish and the Eastern Europeans. The east side also had some Irish but on the west side we were kind of the poor Irish. The shanty Irish and the east siders were the lace curtain Irish. The better off Irish. One side was mostly white, and the east side was where the African Americans lived.

Q: So, your mother, you said she became involved just after Kennedy's assassination. Was it just because she was mortified by what happened and that drove her to get involved in politics or had she been somewhat involved before?

PANEHAL: No, she hadn't been involved before. I think she just decided it was time to stop complaining and do something.

Q: Good and your father, what was he?

PANEHAL: He was district manager for a pharmaceutical company.

Q: And your siblings, did any of them become involved in politics?

PANEHAL: No, none of them were involved in politics in Cleveland except me. Later my oldest sister also worked for the federal government, and was periodically involved in international issues, but no one else in my family became involved in international development issues either.

Q: So, you said that your contact with Dick Celeste, that and Chester Bowles' book are what encouraged you to get involved in international development. So, you went to high school in Cleveland.

PANEHAL: I went to high school in Lakewood, a western suburb of Cleveland.

Q: And when you were looking to go to the university, was your interest in international relations driving some of your decision making?

PANEHAL: Yes. By then I had decided I wanted to go into international politics, international development, and I looked around at all of the foreign service schools and decided that Georgetown was the only school I wanted to go to, so it was the only school I applied to. My older sister had also gone to Georgetown. She was in the language and linguistics program.

Q: OK but you went into the School of Foreign Service?

PANEHAL: Yes.

Q: When you were in high school was there much opportunity to get involved in international stuff?

PANEHAL: Not really, not in Cleveland. And no one in my family had ever been involved in international development or international politics either. It was primarily my relationship with the Celeste family.

Q: Had you traveled at all as a family? Did you do any international travel?

PANEHAL: As a family we didn't, but my Mom had sent my sister and me to Dijon University, in Dijon, France for a summer. I was 15 and my sister was 16. It was a Georgetown University program. We were both studying French in high school, so my oldest sister, while attending Georgetown, had gone on the program a couple of years before. This was the first, and it was the last time, they ever let high school students into the program.

Q: Were you high school students that bad that they—?

PANEHAL: We weren't nearly as bad as some of the other students, but we were bad enough. We learned a lot of French. The first word we learned was corkscrew.

Q: Ok, well that is a very handy word.

PANEHAL: It was.

Q: Do you remember what it was in French?

PANEHAL: Tire-bouchon.

Q: OK thank you, good. We have got that for the record. So, you became a very good French speaker.

PANEHAL: I was pretty good in my heyday.

Q: You said you spent a lot of time with your grandmother. She was Slovak, you said. Did you also learn Slovak?

PANEHAL: I did learn some Slovak and later on when I was assigned to Eastern Europe and the NIS and would go to Slovakia for work, I was listening to them speaking Slovak and it was so familiar to me. I don't know if it was the context of the conversation or that I was just attuned to it. I felt very comfortable in that culture.

But I did not learn a lot of Slovak. My grandmother used to call me osuchana-ann, which I remember sounding like 'strapata-anna', which means Raggedy Ann in Slovak, because I was always disheveled. So I remember a few words and the Christmas carols my cousins and I had to sing for the adults every year.

Speaking foreign languages was not unusual in my family. My Dad was fluent in German. My Mom also spoke German, not as well as my Dad, but she spoke German. My oldest sister, the one who studied languages at Georgetown, spoke German and was fluent in French. My sister, the one I went to France with, also spoke French. That sister later lived and studied in Germany, so she was fluent in German as well.

Q: So, learning languages was an important part of growing up. It really was part of your family culture.

PANEHAL: I think so. And our high school emphasized learning languages. My parents kept trying to find a language we didn't speak so they could talk to each other at the dinner table, and we would not understand what they were saying, but we caught on to all of their languages.

Q: It was a motivation for you all to learn languages. That is an incentive that all parents should learn. So, you go off to Georgetown---when was that?

PANEHAL: 1972.

Q: 1972 you go off to Georgetown. You had been to DC before then because your sister had gone to Georgetown as well. You probably felt fairly comfortable.

PANEHAL: I wasn't quite prepared for the culture at Georgetown. In the second semester of my freshman year, I told my Dad, "I hate this place. I don't want to go to school here anymore." He said, "No, just hold on and stay there one more year."

But I found a program abroad for the first semester of my sophomore year. I convinced my Dad that I could go on this overseas program Georgetown was offering to study in India for a semester, and earn one more credit than I would if I stayed at Georgetown. What finally convinced my Dad to let me go, though, was that the semester program in India was less expensive than a semester at Georgetown. So, he gave me the green light and in the fall of my sophomore year I went to India and studied at Sapru House in New Delhi, which is their international relations school. I wrote a paper on the politics of foreign aid.

Q: Wow, so what was your conclusion about politics and foreign aid, was that U.S. domestic politics?

PANEHAL: No, I compared the Soviet Union's approach to providing foreign aid to the U.S. approach in India. I concluded the Russians were much more successful in accomplishing their foreign policy objectives in the way they dished out their foreign aid. It wasn't necessarily the best in terms of development but in terms of accomplishing their foreign policy objectives it was more effective.

Q: Because it forged stronger friendships.

PANEHAL: It created a cadre of Indians who were very pro-Russian.

Q: Did they do a lot of training?

PANEHAL: They did a lot of training and offered a lot of scholarships. They had a Soviet house of friendship in India which I assume was like what they had in many other countries in Africa and around the world. They also sponsored a lot of cultural programs that drew people in.

Q: Was this a Georgetown sponsored program? Or was this an independent program that Georgetown allowed you to attend.

PANEHAL: Yes, it was the first time that Georgetown partnered with a school called Hartwick in upstate New York in Oneida. About half of the participants were Georgetown

students and half of them were Hartwick students. The Hartwick students were more sociology majors and most of us Georgetown students were foreign service school students.

Q: So, this was one semester of your sophomore year at Georgetown.

PANEHAL: Yeah.

Q: Did you have an opportunity to travel around India?

PANEHAL: Yeah, we did. We went all the way from Srinagar down to Cochin in the southern part of India,

Q: Did you in 1973 have any strong impressions that stayed with you in your development career from that early introduction to the developing world?

PANEHAL: I still have very vivid memories of India. I remember landing in, I think, in Bombay. It was very early in the morning, about 3:00 in the morning, and there were people sleeping all over the floor of the airport. So, we had to walk over all these sleeping bodies to get our luggage and get out of the airport.

Coupled with that impression, everywhere I went in India there were always people. I never saw, even when I was in a rural area, somewhere where there was just landscape. There were always people everywhere you went. It just underscored how densely populated the entire country was for me. Yeah, I had lots of impressions. I lived with an Indian family while I was in New Delhi and that was very interesting. I came home and purposely tried to shock my mom, so I had a nose ring in my nose and refused to sleep on a bed and refused to eat meat. My poor mother.

Q: Now the family that you lived with; I assume that was probably an academic family.

PANEHAL: He was a doctor. She was the sister of the professor from Hartwick who brought us on the program.

Q: Was this the first or second semester of your sophomore year?

PANEHAL: The first.

Q: Now you were at Georgetown in the School of Foreign Service, Did you have a major within the school?

PANEHAL: No, I was in international relations but most of the core courses were mandatory. You had to be fluent in a language in order to graduate from the foreign service school.

Q: Did you graduate with French?

PANEHAL: In French, yes.

Q: Did you have to do more studying of French while you were at Georgetown or was your French enough?

PANEHAL: I just did another year and then I took the fluency exam.

Q: Is that still a requirement for the Foreign Service school?

PANEHAL: I don't know. I imagine it is. I feel like it should be.

Q: Interesting. I hadn't realized that was a requirement. When you were in India did you have any exposure to USAID or the embassy?

PANEHAL: The U.S. government also had a House of Friendship, so I was shuttling between the Soviet House of Friendship and the U.S. one doing my research, so I would say I had some contact with American foreign service professionals. But when I was at the Soviet House of Friendship, the Russians approached me and tried to recruit me.

Q: Oh really?

PANEHAL: Yes, I mean you know they are always looking for opportunities, I think.

Q: How did they do that?

PANEHAL: Well, I was doing research there and they offered to help and they would go and get me a cup of coffee. Already my suspicions were aroused, so I minimized my contact with them. They are always on the prowl.

Q: Yes, right. Were there any other noteworthy things that happened during that semester in India that sort of stuck with you.

PANEHAL: I got really sick, I think from a masala omelet I ate on a train. I had a really high fever and was hallucinating on the train. When we got back to New Delhi, I was hospitalized for I think three days. Fortunately, it was at the hospital where the doctor I was living with worked so I was well taken care of.

Q: OK well it didn't turn you off to working on international development?

PANEHAL: No, not at all.

Q: OK so you go back then to Georgetown. You said you had not been happy at Georgetown. So, when you go back to campus, was the second semester better?

PANEHAL: Yeah, the second semester of my sophomore year was better. But then my Mom lost her re-election bid for city council in November, 1973 so in 1974, when Dick Celeste ran for Lieutenant Governor in Ohio, my Mom ran for his vacant seat for the Ohio House of Representatives. So in 1974, I took a leave of absence in the fall of 1974, my junior year, to manage her campaign. So, I went back to Georgetown in the spring of 1975. I went to school all that following summer to catch up and was able to graduate on time with the rest of my class in 1976.

Q: What didn't you like about Georgetown when you first got there? Was it just the usual or was it something specific? Or was it just being away from home?

PANEHAL: No, it wasn't being away from home. I was kind of acclimated to being away from home. There were a lot of people from good, private east coast schools. I guess I felt a little intimidated by them and the private schools they went to. They seemed really smart and acted really smart. But you know, coming from a small school where you are in the top five out of 200 girls, going to a school like Georgetown, where everybody is in the top five from their school, that was an adjustment.

It wasn't until the spring semester of my sophomore year that I realized I could be intellectually competitive with them.

Q: You said your older sister had gone there. Was she living in the DC area then during that period?

PANEHAL: She went to work on her doctoral degree at the University of Kansas. She was four years ahead of me, so she had already graduated when I got to Georgetown.

Q: So, you went off to run your mother's campaign. Did she win?

PANEHAL: She won.

Q: She won the seat. That was in the state senate?

PANEHAL: State House of Representatives.

Q: So does the state legislature meet just part of the year?Is it not a full-time position?

PANEHAL: They don't get paid full-time. They meet generally Tuesday through Thursday.

Q: Oh, but throughout the year just on those two days,

PANEHAL: They meet three days a week. They can be called in for special sessions too. They meet less in the summer, but from September through May they generally meet every week.

Q: So, she probably was living then in Columbus.

PANEHAL: Yeah, she was traveling to Columbus every week.

Q: That is a tough life for a legislator. So, you were a good campaign manager.

PANEHAL: She was a good candidate. I give her all the credit.

Q: OK so you graduated from Georgetown in your senior year you were thinking about what you were going to do next. Were you tempted to go back to Cleveland and get into politics? What were you thinking?

PANEHAL: Yeah, that is what I did. I went back to Cleveland after I graduated. It was one of those really difficult periods where I went to Georgetown, and I couldn't find a job back in Cleveland.

In September, I got a job as Cleveland City Council research assistant. I was elected to this position by the City Council. There were 33 council members and there were two research assistants. So, I worked there from 1976 until 1979. In 1978, I became the chief of research for the City Council.

Q: For the City Council.

PANEHAL: I had 33 bosses.

Q: What kind of research issues would the City Council be looking at?

PANEHAL: I started working on analyzing whether the sanitation and snow removal systems were biased in a way against areas that were primarily where African Americans lived. Whether the wards that were predominantly African American were receiving equitable service. Based on the data I gathered from the city's own records, they were not receiving as much service as say some of the white councilman districts. That raised a ruckus.

Q: So, the city council people, would they as a group identify research issues or would they come forward as individuals?

PANEHAL: It worked both ways actually. One of the reasons why my first boss wanted to hire me was because I was emphasizing to him the need to not only respond to requests the councilmen had for information but to generate information that helped the councilmen formulate more appropriate questions and address more long-standing issues.

Q: So, you could be proactive in identifying subjects you thought you should.

PANEHAL: And they wanted us to be proactive. My boss, Mike White, then ran for Congress, and I did his statistical analysis of his congressional district to help him get out

the vote. He subsequently became mayor of Cleveland and was mayor of Cleveland for three terms.

Once Mike left, I became the chief of research for the City Council. In my last year on the job, the president of the Cleveland City Council, who I now directly reported to, was indicted and brought to trial on bribery charges. That was an interesting time.

Q: This is Cleveland politics.

PANEHAL: This is Cleveland politics. I learned a lot from having to manage 33 bosses on the City Council.

At the time that my boss was indicted, the roommate of the guy that I had been dating was the reporter who wrote the article that got my boss indicted. The president of the City Council knew that I was dating this guy, and he never said a word to me. And the reporter and his roommate never asked me anything about what was going on in the City Council.

We all had mutual respect for each other. We understood that there were lines that could not be crossed, and we never crossed them.

Q: Right and he understood that you wouldn't cross it. So, it was an honor system.

PANEHAL: It was. But it was a very stressful situation. I quit that job on my 25th birthday.

Q: Now at Georgetown you had specialized in international relations. So going into that City Council job was basically focusing on urban areas.

PANEHAL: Yeah, municipal development issues. I did a lot of community development work. I helped a lot of those neighborhood development organizations that were associated with the councilmen write grants for the community development block grant program. I did a lot of work on section 8 housing, advocating for equitable distribution of section 8 housing throughout the City of Cleveland.

I was also the representative of the president of the City Council on a number of regional boards. So anyway, I had gone back to Cleveland. I got really interested in municipal development working there. After I quit the job with Council on my 25th birthday, I briefly worked for a nongovernmental organization and then I got a job with the Cuyahoga County Community Development Department. I was there for about two years. That is when I applied to the Kennedy School at Harvard University to get my master's degree. Through Harvard, I was able to make the leap back into international development.

Q: In your younger days you had been sort of involved in Cleveland politics anyway, so a lot of the urban issues weren't essentially new to you. But did you find that municipal development and community development in Cleveland were that different from

community development and municipal development in India or one of the countries you worked in later.

PANEHAL: One of the conclusions that I reached about my municipal and housing experience in the States was that there was enough technical expertise in the United States to adequately address all of the municipal development issues we confronted, but what we lacked in the U.S. was the political will to do it. We didn't lack technical expertise. So I wanted to try and apply what technical expertise I had in municipal development to help professionals in the developing world to address their issues and hopefully they could generate the political will to resolve some of those issues.

Q: So, then you left the City Council and that work and went off to the Kennedy School at Harvard, but that was to go back into international development.

PANEHAL: Yeah, when I applied to Harvard, that was my intent. I knew I needed a master's degree to make the leap back to international development. I wanted to work in international municipal development because I really did love that field. So, I knew I needed more credentials.

I don't do well on standardized tests, so I was only looking at graduate schools that didn't require me to take a standardized test. Harvard was one of those schools. So I applied and I was thrilled, and shocked, when I got in. Then they told me it was going to cost me $20,000.

I called them and said I can't go this year because I don't have the money. They told me that financial concerns were not a legitimate reason to not matriculate for the year that I had been accepted. I was stunned. So I asked them, so what do you expect me to do? They said, we'll help you manage your financial issues. So they gave me a loan and I was awarded a grant from a local Cleveland foundation, and off I went.

Q: I'll be darned. So, was this a two-year program?

PANEHAL: It was just a one year master's program. You were only eligible to apply for this Mid-Career Master's in Public Administration program if you had worked in the public sector for at least five years.

Q: Oh, so it was a master's in public administration but with a specialization in international development.

PANEHAL: It didn't have a specialization in international development, but I took almost all the courses that were offered in international development. The Kennedy school allowed you to take courses also at Fletcher and MIT, so I took some courses at MIT as well.

Q: OK so you had core public administration courses and then in addition your international development courses. Were there any professors you particularly liked? On

the international development front at either Harvard or one of the other schools that was particularly influential.

PANEHAL: Yes. In my first semester I had three professors who taught a course in international development that applied economic concepts to seemingly intractable issues, like corruption. John Montgomery, Shanta Devaragan and Bob Klitgaard co-taught this course.

They were very dynamic and somewhat controversial but certainly innovative in their thinking and they influenced me a lot in terms of their approach to addressing long-seated development problems, in particular, how you could apply economics to emotionally charged and controversial issues to modify people's behavior.

Q: Yeah, that is very interesting because I think he didn't become famous until much later than that, but he was already teaching those issues then.

PANEHAL: And Bob Klitgaard later was quite controversial too.

Q: Was there a relationship with HIID, the Harvard Institute for International Development? Did you have any contact with them?

PANEHAL: No. I didn't at that time. However, later when I worked in Eastern Europe and the NIS, HIID was very prominent as one of our implementing partners, but at the time I was at Harvard I didn't have contact with them.

Q: I think in those days there were USAID people who attended that one year program. Were there any USAID people in the program, while you were there?

PANEHAL: Yes, and that is how I got recruited. I didn't want to work for the government when I graduated from Harvard. I wanted to work for a nongovernmental organization, and I was applying to non-governmental organizations when I was at Harvard, but I was caught in a catch 22. I was fluent in a foreign language, had lived overseas twice, but the non-governmental organizations were only interested in people who had also worked overseas. I kept telling them I can't work overseas if you don't give me a chance to work overseas! A lot of the doors in the NGO community were closed to me because of that, because of my lack of overseas work experience.

Sean Walsh was at the Kennedy School when I was there, and he recruited me to work for the Housing and Urban Development Program at USAID.

Recruitment to USAID, Office of Housing and Urban Development - PRE/H 1983

Q: Oh, so that is how you ended up in the Office of Housing. So, Sean recruited you. Was Peter Kimm involved at all with the recruitment as well.

PANEHAL: Peter was involved with everybody that was recruited into the Office of Housing.

Q: I know he was one of the most famous recruiters in the history of USAID, so please tell us a bit about how he did his recruitment.

PANEHAL: Well Sean is the one who brought me into the Agency and then Peter had a little chat with me and then I applied to USAID and went through that whole new entry process.

I found out later that the USAID human resources folks also didn't want to bring me on board either because I didn't have international work experience. But Peter Kimm was the one, and his staff, that insisted that I had all of the technical expertise that they needed. I had already demonstrated that I could speak a foreign language and live overseas in challenging environments. So, they really pushed to get me on board.

Q: So, did you come in as an international development intern (IDI)?

PANEHAL: Yes, I was an IDI.

Carlos Pasqual was also at Harvard the same time I was, but he was in the smart group. He was in the two-year MPP program. Carlos came into USAID in the same IDI class as me.

Q: Oh, two superstars right there together.

PANEHAL: Oh no, he is the superstar. When I was in Ukraine, he was the U.S. Ambassador to Ukraine. When I taught at the War College, I took some of our students to Mexico. Carlos had also served as the U.S. Ambassador to Mexico, but had retired from the Foreign Service. So Carlos wasn't ambassador then, but he met with all of the students and discussed Mexican politics with my students, sharing his usual insight and brilliance.

Q: Very nice. Who else was in your intern class? Were there other people who had such a distinguished career?

PANEHAL: Carlos was always the one we all thought would fly. As soon as we entered into the IDI program and we met him, we all decided that Carlos was the superstar. That he was going to be an ambassador and who knows what else.

Q: Ok I had the same impression the first time I had met him. So, you were in Washington in the training program with the IDI program. How long did you stay in Washington, and did you have a chance to go into any other bureaus? Or if you were an intern for the Office of Housing and Urban Programs, did you stay in their world or did you experience anything outside of that world while you were in IDI.

PANEHAL: Yeah, so Peter wanted us to circulate within the Office of Housing and Urban Programs and the various divisions and regional offices that we managed. For every IDI class, Peter Kimm would pick one IDI to act as his special assistant. Viviann Peterson was one of the special assistants and I later became one of his special assistants. In that role, you shadowed Peter wherever he went.

He would send you off to Panama to accomplish some impossible task and you had better do it, because Peter expected you to do it, so we did it. Mostly I was circulating within the Housing and Urban Programs. Then in 1984, they sent me to Thailand, when you were deputy mission director, Bob Halligan was mission director, Phillip Michael Gary was the Regional Housing and Urban Development Office (RHUDO) Director for Asia, and Viviann was the Deputy Director of that Office.

So, they sent me on a mission impossible. I was supposed to convince Bob Halligan to create another position for the Regional Office of Housing. But shortly after I got there, the Mission's staff had been cut, so the possibility of creating a new position in the RHUDO was nil. But I was allowed to stay there until December, 1984, about six months, working for the RHUDO primarily, but also with the Mission Economist, Bob Muscat.

I remember distinctly what you did once, Carol, in commemoration of International Women's Day. I thought it was so clever and pointed but in a humorous way.

Q: Maybe you should explain what we did.

PANEHAL: Well Carol invited all of the women to her house for brunch or breakfast on a workday. It was a day as I recall that there was a senior staff meeting. The guys couldn't get into their office. They couldn't get into their files. They were totally lost with their computers. Carol called into the senior staff meeting and all of us sang over Carol's phone to all the guys at senior staff the song, "I am woman."

Q: We had fun. By the way, I sort of forewarned the mission director that we might be doing something, but he didn't know when it was going to be.

PANEHAL: That was classic.

Q: Anyway, the men understood. I will add one other thing for the record. Apparently that meeting had started and several of the men came in and said that there seemed to be a lot of people missing today. Bob Halligan asked if they noticed any particular kinds of people missing today? Some of the men didn't realize it was only the women. Bob had quickly realized this was the day that I was pulling this trick.

So, when you came out was that on a TDY but then you did get assigned to Thailand as well?

PANEHAL: I didn't. No, it was a long term TDY. I was working a lot with environment folks while I was out there. And with Bob Muscat on regional economic opportunities to try and have more spatially balanced development in the country. So the environment people wanted to keep me out there somehow, but it didn't work out because of mission staff cuts. So, I went back to Washington.

Q: So how long were you in Bangkok then?

PANEHAL: I think I was there for about six months.

Q: Six months, ok. I am just curious, was Mike Rock there also during that period.

PANEHAL: Yes, Mike Rock was there.

Q: He was doing a lot on regional economic development. So, you did get involved with him?

PANEHAL: Yeah, I did. I learned a lot from Muscat and Rock.

Q: Two really fine development economists. So as a special assistant. You came into USAID in what year?

PANEHAL: February of 1983 I started.

Q: So, as an IDI, you were assigned as a special assistant to Peter Kimm who headed the Office of Housing and Urban Development. How long were you in Washington then?

PANEHAL: Well, when I came back from Thailand, I was in DC for a relatively short period of time because I was getting close to the deadline for needing to be assigned to a position in a post overseas in order to complete my tenure requirements. So, they assigned me to work in the Regional and Housing and Urban Development Office in Honduras. I didn't speak Spanish, so I had to get accelerated Spanish training. So I had six weeks of Spanish in the States and then they sent me to Guatemala where I lived with a Guatemalan family and took intensive Spanish language training one-on-one in Antigua, Guatemala

Q: Since you had French was there any talk about sending you to West Africa?

PANEHAL: No, Peter just assigned you wherever there was a need and on the basis of where he thought personalities would mesh. I think that was a lot of the rationale for where we were assigned.

Q: OK because that part of USAID operated very much on its own is that correct? The assignments went through USAID mechanisms, but it was very much controlled by the center.

PANEHAL: By Peter.

Q: So, did you study at FSI?

Q: I studied at FSI Spanish for maybe six weeks and then they sent me to Antigua.

Q: OK, so how long were you in Antigua then?

PANEHAL: A couple of months.

Q: That must have been a wonderful experience really for language training.

PANEHAL: Yeah, It was. I got giardia, that wasn't too much fun. Other than that, it was, I mean if you have to learn a language quickly, that is the way to do it. Total immersion.

USAID/Honduras, Regional Office of Housing and Urban Development (1985 – 1988)

Q: So, you then go to Honduras. When did you get to Honduras then?

PANEHAL: 1985. I was there from 1985 to 1988.

Q: OK, and that was the Regional Office of Housing and Urban Development (RHUDO). Who was the head of that office?

PANEHAL: Lee Roussel was the director.

Q: Then did you have a specific portfolio for the region?

PANEHAL: I was working a lot with the Central American Bank for Economic Integration (CABEI). We developed an 89-million-dollar regional program for low-income housing. I was traveling a lot and working primarily on the regional programs as well as basic infrastructure development programs, called sites and services, in Honduras.

Q: That regional program through the Central American Bank, that was all the countries in Central America?

PANEHAL: Except Nicaragua at the time.

Q: Except Nicaragua because they were in the outs.

PANEHAL: Right.

Q: Can you say how these low-income housing programs worked? Was the Central American Bank then lending to commercial banks within the individual countries?

PANEHAL: Exactly, like the housing guarantee program worked in a bilateral fashion. The dollars would go to CABEI then CABEI would lend to the central banks in each of the countries. Those central banks would lend local currency to local banks or the government public housing authority for housing development. Then households would repay the housing developers or public housing authority, local banks would repay the central bank, and then the central banks would have to repay CABEI. But, Peter Kimm's objective was always to push the banks to go down market, to try and reach lower and lower income families.

Q: What level of income do you think was reached under this program?

PANEHAL: I think we were probably lower middle income, but not the lowest income. I think based on our experience in the housing field, the only way to reach the lowest income families is through sites and services programs. Some of those even had to introduce services gradually.

In the case of Honduras, we would meet with the potential beneficiaries and say, this is what it is going to cost you to deliver water here. This is what it is going to cost you to deliver electricity. If you want sewers, which nobody wanted to pay for, this is what it is going to cost. Then the community would vote basically on what service they wanted based on their willingness to pay. So, we would provide that service, just that service. Electricity maybe.

And as they developed the capacity to pay on a regular basis for that service, and maybe have additional savings, then they could come back to the program, the community would say ok we have proved that we are willing to pay and are able to pay for electricity. Now we would like to discuss with you providing us with water. So to reach the lowest income families, we would often not even be talking about housing solutions. We would be talking about basic infrastructure.

Q: OK basic infrastructure, where they were living?

PANEHAL: Where they were living yeah.

Q: Ok it is an important insight for people to have learned to develop that kind of flexible program. So, you said you were also working on municipal development in Honduras. Is that in conjunction with the sites and services program or another municipal development program?

PANEHAL: Well, we had a variety of programs. For example, in Honduras we were working with municipalities, the mayors and the city councils. We were trying to improve their capacity to be responsive to citizens' needs.

Q: OK so you were in Tegucigalpa and San Pedro Sula.

PANEHAL: We were working in San Pedro Sula, Tegucigalpa, and many of the smaller secondary cities as well.

Q: How would you compare those city councils with Cleveland?

PANEHAL: Well, I would say they were just as politicized! There was certainly more capacity to address issues with the Cleveland City Council than there was in the secondary cities of Honduras.

But I would also say that the Hondurans were more open to suggestions and new ways of doing things than perhaps Cleveland City Council members. It was a very exciting time to be working there. We revamped their savings and loan system. Not us, but we worked with them and we were able to make some major changes in the way the Honduran government's low-income housing program was managed so it was more equitable in the way that they provided housing for low-income families.

They burned our building while I was there, so that was pretty frightening. My first post overseas. I wondered, what I had gotten myself into!

Q: Oh yes, we can talk about that in a second. I have a question about San Pedro Sula. It is a very difficult place. And has been for a number of years. I don't know much about Honduras, but rumor says that because of drug trafficking and corruption, San Pedro Sula is a very violent and difficult place. In those days in the mid 1980's was it that way? Or was it a relatively safe place during that period?

PANEHAL: Between Tegucigalpa and San Pedro Sula in the two years I was working in Honduras, San Pedro Sula was much more progressive. They had a really dynamic mayor there and an excellent staff, and we had an excellent staff working with our office who were well connected with the San Pedro Sula folks, and so we were able to see a lot more progress in San Pedro Sula than Tegucigalpa at the time.

Q: OK it sounds like the problems arose much later.

PANEHAL: They arose later, yeah.

Q: OK so you mentioned the building being burned. What was the state of U.S.-Honduran relations during the period you were there.

PANEHAL: John Sanbrailo was the USAID mission director. The U.S Government was doing a lot of cross border activities with Nicaragua at the time to support the contras, and I think the perspective of most of USAID's staff was that we were trying to provide a more balanced picture of what the U.S. interests were in Honduras. It wasn't just the Contras, we were interested in broader development issues. We were interested in education, we were working in maternal health, and agriculture, we were trying to be sure the Hondurans understood that there were many sides to U.S. foreign policy interests in Honduras.

Q: But when the building was burned there were demonstrations; is that right?

PANEHAL: There was a drug king who was living in Honduras. His name was Juan Matta, of all things (mata in Spanish means 'kill'). He had a pernicious influence within the Honduran police force and the military, and he was actively working to control the Honduran Congress. He was accused of being involved in the murder of a DEA agent in Mexico

What we heard from folks in the Embassy was that they were telling high level Honduran elected officials that Matta was controlling significant portions of their government and that he needed to be curtailed. Azcona was the Honduran president at the time. What we heard was it wasn't until they showed Azcona irrefutable proof that Matta controlled the Honduran legislature, that he finally agreed to have the U.S. government 'extradite,' kidnap him basically.

Matta was kind of like a Robin Hood figure in Honduras. He was providing low-income housing, scholarships, and giving people food. He was beloved by a lot of Hondurans, so when he was kidnaped it roused fury in thousands of Hondurans and they marched on the Embassy. But the Embassy was impregnable. When they couldn't get into the Embassy, they turned around and the Consulate was on the other side of the street, relatively unprotected. The Consulate that Hondurans hated because they were denied visas. The USAID offices were in the same building as the Consulate.

So, the Hondurans rioted for three hours, and no police or military would go in to quell the riot because they were allied with Matta.

The riots started around 5 pm. USAID had both FSNs in the building at the time of the riot and one American, Gene Szepesy, who was Acting mission director at the time. The building caught fire. Gene went into the safe haven and locked himself in there. Gene was stuck in the building for three hours until the military finally went in and quelled the riots.

During the riots, our FSN systems manager backed up all of our computer data onto discs, put the discs in his satchel, pretended he was one of the rioters and convinced the rioters to let him leave the building. Due to his heroic efforts, we were able to upload all of our computer data and the Mission was up and running three days after the building was burned because he had saved all of our computer hardware.

Q: Did this happen at night?

PANEHAL: It started about 5:00 at night.

Q: Ok so most people had left the office.

PANEHAL: Most people had left.

Q: Wow that must have been a rather frightening experience.

PANEHAL: That was my first post. I thought, what the hell have I gotten myself into? I was acting director of the office at this time. Some of our staff were in the field, others were on TDY in other countries. They were told to shelter in place, but they all were desperate to get home to their families. Through some Honduran military friends, we were able to send a Honduran military escort to the airport to pick up our staff and get them safely home. We were all in lock down at our houses for days until it was considered safe to go into the office again.

During this lock down period, I was talking to one of my staff who was very well connected with the Honduran upper echelon, both in the military and the government. I told him I kept hearing squeaking sounds on my phone. He said he would call around and see if any of his contacts knew what was going on with my phone. He called me back a few days later and said both sides, the government and the rioters, had tapped my phone. That was a first!

Since the main USAID building was burned, all the USAID staff moved to the regional offices building, which was a separate building. The regional offices, RIG and our RHUDO office, were housed there. So we had a lot of company for a while until the main USAID building was habitable.

Q: Oh, so you weren't in that building anymore.

PANEHAL: RHUDO was not housed in the same building as the main USAID headquarters. The rioters didn't know we were in a different building, so everybody was able to, not everybody, but a lot of our staff were able to move over to our building and other people were housed in the Embassy.

Q: Later on USAID began to recognize that municipal development work was an important part of its democratic governance work. But during this period, your office was doing this work. Was there a democracy governance program as well in the Honduras Mission and did you have contact with them, given that you were doing the same kind of work? Also, was the embassy interested, the political section or other?. Did you have any contact with them? Were they interested in the municipal development work you were doing?

PANEHAL: I don't honestly think the perspective had broadened by then. In subsequent missions, they certainly recognized the importance of strengthening municipal service delivery as a mechanism for creating democratic stability in countries. Early on, I think it was more a reflection of the fact that this was kind of a housing and urban development portfolio. There were always issues about whether we were fully embraced by the broader USAID community, and whether our program wanted to be fully embraced by the rest of the USAID offices, let alone the embassy.

Q: Right. That was an historic issue, was it not? You must have seen that some missions were better integrated than others.

PANEHAL: Yeah, and even in Central America, because I was travelling a lot to other missions in the region, there were some missions, like Costa Rica, who embraced us so closely, they were kind of suffocating you. So, there was always a delicate balance that you had to negotiate with the mission directors. You wanted them, and they deserved to be, managing the program but from a technical standpoint, our office needed to retain some control over what we did and were funding. So, there was a lot of negotiating going on with mission directors all the time.

Q: Is that something you personally had to do yourself? Even as a first term officer you would have to negotiate.

PANEHAL: When I was negotiating the regional CABEI program, I had to negotiate with all the mission directors. Then, when I became the acting mission director for the RHUDO, I was always in negotiations with the bilateral mission directors over programs, staff, etc.

Q: Is that something the regional housing officers would talk about, how to go about doing, negotiating? Did you share experiences?

PANEHAL: I think they shared war stories. I am not sure there was anything so systematic in terms of extracting patterns and threads and negotiating approaches that one thought might work universally, because so much was driven in those days by the mission directors and their own personalities.

Q: Did you all sometimes have to call in Peter Kimm to help?

PANEHAL: Yeah. Or Mario Pita in Latin America.

Q: Interesting. So, you were two some years in Honduras. Was there the option of staying there longer? How was the decision made that you were there a little over two years?

PANEHAL: Peter said I should go to Tunisia.

Q: OK so you spoke French. That was why.

PANEHAL: Yeah, but I had not been, I think I was at a 2/2+ in French when I came into the Agency, and I needed to be a three to go to Tunisia. So, they sent me directly from Honduras to Villefranche-sur-Mer, France to brush up on my French.

Q: For the record I would say that only the Office of Housing and Urban Programs used to have the flexibility to send its officers for language training to such places.

PANEHAL: Well, Peter always argued it was an immediate need. I had to get there as fast as I could. What was interesting is that two of my friends from Tegucigalpa who worked for a non-governmental organization, also were sent to the same school as I was. They were going to work in West Africa.

Q: So where is this school?

PANEHAL: It is in Cote D'Azur. Somebody has to do it. Sacrifices had to be made.

Q: So how long were you sacrificing in this language training?

PANEHAL: It wasn't there very long. Maybe a month or six weeks. Then I went straight to Tunisia.

Q: In what capacity did you go to Tunisia?

USAID/Tunisia, Regional Housing and Urban Development Office (RHUDO), 1988 - 1989

PANEHAL: I was assigned to the RHUDO office there. The near east office. Dave Olinger was the RHUDO director and Sonia Haman was the deputy and I was the third, and junior officer. Those were the direct hire Americans in our RHUDO. George Carner was the mission director in Tunisia at the time.

Q: This was again a regional office. What countries did you cover? Harry Birnholtz, he worked in Morocco.

PANEHAL: I worked both in Tunisia and in Algeria. Harry was a U.S. direct hire but he was living in Morocco, so he covered Morocco. Dave Leibson was in Portugal. I picked up Algeria, which was very interesting, in a strange kind of way.

Q: What kind of programs were we doing in Algeria? Nobody told me we were ever doing anything there.

PANEHAL: I know. We had just started working with them when I arrived at post. We were doing both low-income housing and some municipal finance work in Algeria. Mainly because the minister of housing had recently been appointed and he had made overtures to the Office of Housing. Our folks thought there might be an opportunity there that was worth exploring, so I was the new kid on the block, so I went to Algeria.

Q: There was no USAID Mission there, so you were operating independently.

PANEHAL: I coordinated with the Embassy. I was in contact with the Embassy all the time.

Q: But you would just go in and work with the local organizations

PANEHAL: Right, but mostly government organizations. There weren't a lot of non-governmental organizations there.

Q: Right so you did an housing investment guarantee (HG) ultimately?

PANEHAL: No, we never did a HG there. We were providing technical assistance to make sure they were capable of handling a housing guarantee. So, we were in the process of providing that, formulating what kind of technical assistance we both thought was appropriate and providing that before we would consider giving them financial assistance through a loan that had to be repaid.

Q: Yes, but it didn't go beyond the technical assistance phase.

PANEHAL: Not when I was there, no.

Q: So how much time did you spend in Algeria?

PANEHAL: I spent a considerable amount of time, mostly only in Algiers, but a good amount of time. We were all impressed with the minister of housing, a very progressive guy. He spoke Spanish. He had a girlfriend when he was in Spain, so he spoke Spanish.

Q: So, were you speaking Spanish with him?

PANEHAL: Sometimes we would speak in Spanish.

Q: So, which was better, your Spanish or your French at this point?

PANEHAL: Probably my Spanish still.

Q: And you were also working on programs in Tunisia.

PANEHAL: Yes, we had a very extensive program in Tunisia. Of course, in Morocco and Portugal too.

Q: Right, so were you yourself involved with the Tunisia program.

PANEHAL: Yes.

Q: Was that doing low-income housing?

PANEHAL: We were doing low income housing and a lot of sites and services in Tunisia.

Q: And that would have been outside of Tunis or in Tunis?

PANEHAL: A lot of it was outside of Tunis in the secondary cities.

Q: George Carner was the mission director. He was one of the most creative individuals who ever led an USAID mission. I am wondering if there are any things that particularly stood out to you about him.

PANEHAL: And Robert Pelletreau was the ambassador at the time and he was also extraordinary..

Q: Ah, so any particularly interesting things that you all ginned up in Tunisia.

PANEHAL: I would say that George and I had a good working relationship in Tunisia. We ended up working together again when he recruited me to work in Nicaragua with him. He was very supportive of the program. He always had very insightful suggestions on how to improve it or people that he thought we should be in contact with to expand our programming options. He was a great mission director to work with and for. I really enjoyed working with him.

Q: Tunisia is one of those countries where our relations have gone up and down. And sideways over the years. During this period were the relations good?

PANEHAL: There is a parallel when we worked in Ukraine too, where we did not have good relations with the central government, but we did develop over time strong relations with municipal governments and so the same thing, the same pattern, I find in Tunisia as well, where we had very strong relationships with mayors and their staff in Tunis and in the secondary cities, but not necessarily strong relationships with the central government. And so, if there were issues, more often than not we could use our leverage with municipal officials to try and convince the central government to be supportive of those programs, despite some suspicion on the part of some government officials about USAID's involvement in the program.

Q: That is an important point, that those relationships at the municipal levels were obviously very important. Did you have much contact with the embassy? I am just curious at what point in your career did you begin to develop those interagency relationships?

PANEHAL: In Tunisia I think there was a much closer relationship with the embassy than I had experienced in Honduras, and that was my only other point of reference at that time. One big difference was Honduras had a political appointee as ambassador, John Ferch, and Tunisia had a career Foreign Service officer as ambassador. The ambassador's wife was a consultant with USAID, so she certainly understood what we were trying to accomplish and she was a very talented professional. We had a lot of respect for her.

Ambassador Pelletreau impressed everybody. He was a very impressive guy. He spoke fluent French and Arabic, was a Mideast expert, and had extensive ties to Tunisians, including contacts with the PLO, the Palestinian Liberation Organization, who had their headquarters in Tunis at that time.

The Ambassador was a great mentor for new staff too. He had all of the first and second term officers work with him when they were duty officers on Saturday. Our job for the ambassador was to go through all of the cable traffic that came into the Embassy and to sort out what we thought was important or less important and then report back to Ambassador Pelletreau by like 11:00 in the morning and brief him on anything that happened that we thought was important.

Q: Wow, what an interesting technique.

PANEHAL: Yeah, it was a really good training. I thought for relatively new officers, I think it created a much better understanding for me at least of the broader issues that the Embassy, especially at the ambassador level, that the Embassy was analyzing.

Q: And it also forced you to read the classified stuff as well. On a routine basis you probably didn't see classified stuff.

PANEHAL: Right.

Q: Well very interesting. I have never heard of that. So, in a way it was kind of like serving as a duty officer in a sense,

PANEHAL: In a way. But you were reporting to the Ambassador. He was a really smart guy. He was negotiating with the PLO at the time.

Q: Right so there was probably a lot of cable traffic on those subjects so on Saturday you were probably learning a lot about what was going on. Was he interested in the municipal work that you were doing?

PANEHAL: Yes, he was. He was a very proactive Ambassador. He was super smart. He forged good working relationships among the various departments, both within the Embassy and with folks like us. We had a separate building and were outside of the Embassy physically.

So much Carol, I think, depends on the personality of the Ambassador. If the Ambassador has established his or her expectations that everybody is supposed to work towards common goals and they are expected to work together, then they will work together. I don't mean to imply that there was any kind of mandatory reason to do it, he just created an environment in which he let people understand in a very conciliatory way that these were his expectations and he was a very pleasant guy so you wanted to meet his expectations.

Q: At various times USAID has talked about closing the Tunisia mission. It has been talked about for decades and it may have even been closed a couple of times and then reopened. What was the discussion in the period you were there? Had it been closed and re-opened or was that after you left?

PANEHAL: It was closed after I left. But there were security issues for sure related to whether we thought a U.S. government presence should be in Tunisia from the security perspective and then there were a lot of political considerations. So how much support should we provide to the government? Was it really helping us to achieve our foreign policy objectives?

Q: You mentioned security concerns. Did that inhibit your ability to go out and travel to municipalities around the country or were there special things you had to do in order to travel or was the regional security officer involved at all.

PANEHAL: Well, we tried to not create concerns with the regional security office about our travel plans.

Q: Does that mean you didn't tell him? Ignorance is bliss was your policy.

PANEHAL: If something had happened, we would have been in big trouble.

Q: OK I won't ask any more on that.

PANEHAL: I did the same thing in Afghanistan when I was there. On a TDY. You know Carol, it is so hard for us to do our job if we are locked up.

Q: Right and your job was working with municipalities. If you are working with municipalities, you have to spend time with them.

PANEHAL: And you have to travel.

Q: Right. That is always a serious problem. Did you have much involvement with USAID/Washington during that period? I am curious as to where Tunisia fit on the priority list and whether you were bothered a lot or not bothered.

PANEHAL: Well, first I have to confess that I was probably too low on the totem pole to have a sense if there was too much or too little attention being paid in Tunisia in general and to our office programs in particular. But overall, I don't think Tunisia and our programs were necessarily high on the list for the U.S. government in general. Sometimes it is better to be under the radar anyway.

Q: When you were working with primarily local municipalities.

PANEHAL: We also worked with the central government though. We had a nationwide low-income housing program.

Q: I ask in part in terms of what USAID refers to now as localization. And doing more directly with local organizations. The housing people have always historically worked with local organizations.

PANEHAL: Yes, as grantees, but it is very difficult to try to figure out how you can get a loan to municipalities. That is where the challenge came. You had to figure out how a municipality, that is only generating local currency, is going to be able to repay a loan that is in dollars. That was always a big impediment for us.

Q: Right so you would lend to whoever would be able to handle the foreign exchange risk?

PANEHAL: So, it almost always involved the central government.

Q: Right, and also historically a lot of contact with the private sector as well because you were working with banks and savings and loan associations. In fact, we didn't talk about that in Honduras but I think that the savings and loan industry is one of the great successes of USAID's work in Central America.

PANEHAL: Yeah, in Latin America the creation of a savings and loan system was largely due to the U.S. government and USAID's housing program.

Q: Were there similar savings and loan types of organizations in Tunisia or not? Were they more the French system?

PANEHAL: It was more the French system. But then what they did with the housing development finance corporation is similar to what they did in Latin America.

Q: Right, so how long were you in Tunisia?

PANEHAL: I was there for two years.

Q: 1988-1989. So 1989 comes along and were you bidding again? What was the Office of Housing suggesting you might do next?

PANEHAL: I got married.

Q: You got married.

PANEHAL: I got married and my husband was a marine. He was working with the military attaché office in Tunisia when we met. He was scheduled to go back to Camp LeJune. We were engaged. So, Bob Halligan, then the head of HR, helped me, and the Office figured out a way for me to get sent back to DC. My husband was still in North Carolina, but I was in DC. But DC was closer than Tunisia.

USAID/Washington, Office of Housing and Urban Development, 1989 - 1992

Q: So, what did you go back to? The Office for Housing and Urban Programs?

PANEHAL: Yes.

Q: And what job were you doing?

PANEHAL: We actually had morphed into some urban environmental issues so I was working on those issues. From there in 1992 I joined the Eastern Europe and NIS Bureau, and I worked in their environment office from 1992 to 1995.

Q: OK and from 1989 to 1992, you were in the Office of Housing, but beginning to do more on urban environment issues?

PANEHAL: They had an urban environment program there.

Q: That was something you had become interested in when you were in Bangkok, right? So, you finally got to work on this issue.

PANEHAL: Yeah, so I switched from being a Housing and Urban Development Officer and in 1992 I became an environment officer.

Q: Can you tell us about what kind of work you did in the Office of Housing. What were the first steps done in the Office of Housing related to urban environment?

PANEHAL: Well, initially we were looking at the fact that we recognized that when we were only providing water, we were creating an environmental problem because of the effluent that we were generating. That we needed to think about not just providing the water, but we needed to be thinking about how we were treating the wastewater.

So, we began looking at different types of low-income solutions to treating wastewater. Then the other issue was land use planning. When we were developing sites and services projects or low-income housing projects, we understandably became involved in a lot of land use issues and floodplain issues. All of those experiences led us to begin to focus more on many of the urban environmental issues which we had been overlooking as a result of our housing and infrastructure programs.

Q: At some point in time USAID required environmental assessments of all programs. Had they been required for the housing program?

PANEHAL: I don't recall them being required in the early years of the program.

Q: Ok so some of the issues that you all began to see, you then began to try to figure out how to better address them proactively. So that would suggest that in sites and services programs, you realized you had to pay more attention to wastewater treatment early on that would affect how you could do the sites and services programs?

PANEHAL: Yes, and so they did evolve over time, and we began to incorporate low-cost wastewater treatment solutions to the water supply we were financing.

Q: So, in the job in Washington you were helping the Office develop a whole new slate of programs.

PANEHAL: Yeah, actually it wasn't me, there was a team. Sonia Hammam was part of the team and Scott Dobberstein, if I remember, was part of the team. We were a group of folks within the Office of Urban Programs that were interested in seeing how we could incorporate more environmental concerns into our programming.

Q: Right, so you basically did that for three years and presumably you were traveling a lot to go out to the countries and help them implement these…

PANEHAL: Incorporate. We were trying to incorporate it into both housing guarantee programs, so the loans themselves would have an environmental component to it, and certainly in our technical assistance program that was grant funded.

Q: Were you seeing some countries that were more amenable to this than others? I would think some countries would say yes this is a real problem. We really need to do it and others might say no, that is something we will worry about 50 years from now, not today.

PANEHAL: Yeah, I think I would differentiate between the central government's perspective versus municipalities' perspective. I mean there were some municipalities that had suffered significant environmental degradation. Coastal cities. The people in cities that were located in flood plains or in the path of volcanoes. Their own experience sadly taught them that they needed to be more environmentally aware.

I think at the central government level it was harder to persuade them that they needed to be more cognizant of those issues. But I can't think off the top of my head if there were any countries that were more amenable or open to considering environmental issues at that time in their programming.

Q: In the U.S., there is increasing discussion of the negative effects on the environment in lower income communities in the urban United States. Was that an issue that you had to look at all?

PANEHAL: Yeah, so it wasn't uncommon for central government officials to suggest certain tracts of land for certain sites and services or low-income housing and then when we would look at what they were offering, we had to go back and tell them it was inappropriate. The people would be flooded out or there was a garbage dump right next to it or all sorts of issues related to land use planning concerns.

Q: So, we could talk later if there are things during this three-year period that you wanted to add. We can always come back to it and add. But you sounded quite eager earlier to go on to 1992 when you started to work on the Eastern European programs.

PANEHAL: So, I will go back and think about whether there was anything impactful that I can add to that period of time.

Q: Yes, that is fair. So, in 1992 you began to work in Eastern Europe. Were you going overseas or was this in Washington working on Europe and the Newly Independent States (NIS)?

USAID/Washington, Eastern Europe and the Newly Independent States Bureau, (EE/NIS) Environment Division, (EEUD) 1992 - 1995

PANEHAL: The Eastern Europe and NIS bureau was based in Washington. They didn't have any vision of placing staff in the field at that time. I was in the Environment office, which was part of EEUD, Education, Environment and Urban development. Nancy Tumivick was the director. Jim Bever was the deputy. The Environment Division was headed by Ron Greenberg. I was his deputy. Although we were Washington based, we spent 60-80% of our time traveling throughout the region.

Q: Before we go on to what you were doing, you then left the grips of the housing and urban development family. Was that a difficult move to make?

PANEHAL: Not from a technical standpoint, because we had been working on urban environmental issues and having our own environmental programs for a number of years, so from a technical perspective, I felt like I could address most of the issues that they were facing in Eastern Europe and the NIS.

I think that for Peter, it was not an unhappy separation, placing somebody having a background in urban in the EE/NIS Bureau, but at that point I think that Peter was recognizing that our focus on urban environment and the technical expertise that we had developed, that our move to other offices in the agency reflected well on the Office of Housing and Urban Programs.

Q: Right, it was a plus and in fact many people went into the new program to Eastern Europe and the former Soviet Union. So, what kind of environmental issues were you working on? Were you focused more on Eastern Europe or the former Soviet Union or both?

PANEHAL: I was working mostly in Eastern Europe and a little bit in the Baltic States but rarely in the NIS. Other folks did that.

Q: What were the main issues that you were working on, and were there certain countries that you specialized in?

PANEHAL: I wouldn't say there were certain countries or environmental areas that I specialized in. I worked a lot with EPA. There were a range of issues that we worked with them on.

First, the World Bank, USAID, and EPA worked together with host country counterparts to develop each country's national environment plan. That collaboration stood us well in subsequent efforts to join forces to accomplish common goals.

There were many areas where I don't think USAID had focused that much of its attention, like the industrial pollution reduction program we initiated with the World Environmental Center (WEC), so working in Eastern Europe was a growth area for us.

I think partnering with EPA and tapping into their expertise made a lot of sense for us as an agency and for the Eastern European nations we were trying to help. We negotiated an Interagency Agreement with EPA for each country where we were working, and USAID passed some of its funds to EPA to administer programs on behalf of USAID.

Issues like subsidence in former coal mining towns was one where we did not have a lot of expertise and EPA had some. But both agencies deepened our understanding of the implication of subsidence issues in Eastern Europe, especially in areas like Poland. EPA also spearheaded efforts to implement air pollution monitoring in Eastern Europe and spearheaded the creation of the Regional Environmental Center (REC) in Budapest. More than 30 years later, the REC is still in operation.

Geographically, we were working primarily in all of the eastern portions of the Eastern European countries, the most polluted, the most degraded areas, areas that had significant air pollution issues, significant levels of lead poisoning in kids. We would come home from almost every TDY with eye infections, skin infections, or lung infections because we were just in the dirtiest, nastiest parts of Eastern Europe you could imagine.

Q: Wow,

PANEHAL: And we loved it. We loved our work. Our partners were so excited to get our help and move into the modern world. They were new to the western world and there was so much that they wanted to learn and borrow from us.

Q: What was the first trip you made?

PANEHAL: Romania. 1992.

Q: Could you tell us what that was like?

PANEHAL: I will tell you one thing. I get to my hotel in Bucharest, and there are bullet holes all around the front door. There is virtually no heat in the hotel and the breakfast is canned beets and plums and some cheese and tea. Like there is no food. Nothing in the markets, no place to stay. It was just a glimpse for us of what it was like living under communist rule in these countries.

Same thing when I first went to Slovakia, there were no restaurants open. We were trying to find someplace to eat. There was nothing open. So, we finally ended up going to some communist party club that served food.

Then when I was in Eastern Slovakia, I was in a little city called Kosice and we happened upon a Jewish cemetery there. It had been there since the 1600's, based on the dates on some of the tombstones. The Jewish cemetery tombstones had the full names of the father and all the sons, but all of the females in the family were nameless, on the tombstone they were just shown as wife, daughter.

Q: Wow, a different culture.

PANEHAL: Yeah, it was very interesting.

Q: A different culture, different time. So, what was it like going into Slovakia given your family's roots there.

PANEHAL: So, my family is from the northern part of Slovakia from a tiny village in the Tatra mountains somewhere right on the border with Poland called Horny Stefanov. On one TDY, I was in Poland, just on the other side of the Tatra mountains. We were meeting with our counterparts and I told them that my family is from the other side of the mountains and they started kidding me that all the Slovaks on that side of the Tatra mountains are a bunch of horse thieves. So, we went back and forth with good natured bantering. That whole interaction with these Polish counterparts reminded me so much of being with my own family.

Q: Dinner at your grandmother's house again.

PANEHAL: Exactly. Except we didn't drink as much.

Q: At your grandmother's house, for the record.

PANEHAL: Yeah. For the record.

Q: Ok, and you said the issues were just enormous, lead poisoning, air quality. Can you run through one or two programs that were put together just to get an idea of some of the things that came out of the work we supported.

PANEHAL: We usually started out, in large part I think to EPA's insistence that we get data, air pollution data and lead poisoning data from the atmosphere etc.

One of the findings that surprised all of us, so sadly, was I believe it was in the Czech Republic, that during Soviet times grandparents had been growing food for their grandchildren. So, they were growing potatoes and onions and other tuberous crops to supplement the diet of their grandkids. But they were growing these crops wherever they could find any vacant land.

It turns out they were growing these tuberous crops along highways. But the cars were using leaded gas, so the lead particles were falling on the ground where the grandparents had been growing tuberous crops. So, the crops had been absorbing all of the lead. That is why the children had such high levels of lead poisoning. It was just so heartbreaking for the grandparents to realize they had been poisoning their grandkids rather than helping.

The other issue that we had, from a housing finance standpoint, was how to, and I wasn't that deeply involved in it but people like Lee Roussel and Jim Bednar in the Czech Republic were after it split, was how to privatize all the rent-controlled apartments and apartment buildings, all those large Soviet style apartment buildings.

USAID staff were trying to transform them into condominiums. One really difficult issue related to this privatization program was how to develop financing packages that the current tenants could afford, and to convince them that they had to pay market value. The management of communal property was also problematic, because the tenants were used to Big Brother worrying about those kinds of issues. So, from a finance standpoint, how to transform and privatize these buildings was a big issue.

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Q: Today is November 30, 2023, this is interview number 2 with Alexi Panehal. Alexi, when we finished up last time, we agreed we would start with any final thoughts you might have on the Eastern European environmental work that you were doing. So…

PANEHAL: And also if there was anything I thought I should add about the work I did in the Office of Housing and Urban Programs from 1989 to 1992, so let me backtrack to that period for a moment.

When I came back from Tunis in 1989, I went back to the Office of Housing and Urban Programs. They were in the process of exploring how we needed to expand our technical assistance and perhaps our housing guarantee program to incorporate more environmental issues. All the staff recognized that if our objective was to provide basic services, we couldn't ignore the ramifications of providing water when they didn't want to pay for sewage or picking up garbage, but not having a sanitary landfill where it would be processed.

So, the Office became increasingly interested in and compelled, I think, to look at urban environmental issues and incorporate that into their program. So I worked with I believe it was Sonia Haman, Scott Dobberstein, Larry Birch, Bob MacLeod and some other folks on cross-training us and the staff in the Office and people in the agency who were working on environmental programs that maybe weren't necessarily taking into consideration urban environmental issues. So that kind of led me into my work in Eastern Europe and the NIS.

There we were moving into 12-13 countries over the space of two or three years. It was a huge and rapid program expansion and structure that we managed from Washington because the Agency wasn't convinced they wanted to create Missions in each of the countries if the program was temporary. So they created a Regional Mission in Washington for Eastern Europe and the NIS. So, we had a handful of permanent staff in all of the countries, but the program was actually managed from Washington and implemented from Washington. That required Washington staff to be traveling in order to be overseeing the projects and providing feedback to the staff that were in the field who weren't technical specialists.

So, it was a fascinating introduction and a look into the remnants of what the Soviet Union looked like, because we started going in in 1992. It was very bleak. The first country I visited was Romania. There was very little food in the country in 1992. A lot of toiletries just didn't exist, they had never heard of them.

Then what was amazing was just the rapid transformation that took place in all of those countries, how quickly the eastern Europeans adapted to and absorbed the western concepts of not just democracy. But modernizing the economy was a lot more complicated for them to get their heads around. But it was exciting to work there. We had great counterparts. They were so anxious to learn about everything that we could share with them, and they were beyond anxious, maybe desperate, to be adopting western management systems, western technology to improve their country. So, it was a very exciting time as a development professional to be working there.

Because USAID didn't necessarily have expertise in areas like air pollution monitoring, I would say we developed a very close working relationship with the Environmental Protection Agency. We made a point of traveling together all the time and developing our strategies together. We went to meetings together. It was fortunate for us I think to incorporate their expertise into our programming because I think it made a huge difference. I think the other thing that we were also pleased about was that many of the structures that we set up early in the programming, like the Regional Environmental Center, which especially the EPA worked very hard to see that it was financially and politically sustainable, still exists.

Q: Where was that created?

PANEHAL: In Hungary.

Q: In Hungary. And it is truly a regional institution.

PANEHAL: Yes. So that was an exciting time to be working on, challenging. Tom Dine was the Assistant Administrator at the time and Carlos Pascual was one of the Deputy Assistant Administrators. We had a lot of people in the U.S. who were interested in taking advantage of what they thought were their connections to Eastern Europe to U.S. manufacturers, U.S. suppliers and U.S. non-governmental organizations, some of whom felt they had an entitlement to get some of our money. They lobbied the Hill and USAID.

Tom Dine was absolutely fabulous in managing all of those diverse interests and keeping their lobbying within bounds.

Q: He protected you all a little bit.

PANEHAL: He had my back. There was one instance in particular where Tom Dine really protected me from the wrath of an NGO.

There was a NGO that had a lot of high power connections on the Hill. We did an evaluation of their program and it was far from complimentary. We internally all agreed to eliminate program elements that were not performing well and this NGO was on that list. Not only did they not want to be cut, they were lobbying the Hill, hard for additional funding. I was called up to the Hill several times to meet with Congressional staff to explain myself, and I believe once even a Congressman. It was very uncomfortable for me. But Tom Dine supported our decision and his support never wavered even when Hill staff questioned him about the recommendation we had made. He was great to work with!!

Q: So that is good. Thank you very much and when we get to your Ukraine experience, we might come back to some of this. So, you were in that position from 1992 to 1995, Then you began to look for another assignment. You went off to Nicaragua. Was this completely at your initiative or did people approach you to go there or how did it happen?

USAID/Nicaragua, Office Director, Democracy Office, 1995 – 1999

PANEHAL: George Carner had been my mission director in Tunisia, and he was mission director in Nicaragua, and he wanted a democracy officer. He knew that I had been working on municipal development issues because the Office of Housing and Urban Programs did a lot of work in strengthening municipal management capabilities, so he recruited me. But then we had to convince the Agency that I had the technical background to be tagged as a democracy officer. That eventually worked out, with lots of people's support.

I actually served in three different technical backstops in the Agency, as a Housing and Urban Development Officer, Environment Officer, and Democracy Officer, which is a bit unusual.

Q: So, you went off to Nicaragua in the summer of 1995.

PANEHAL: Yeah, and it was a very exciting, stressful period. We had two elections coming up. In 1996 we had a presidential election, which pitted Daniel Ortega against Arnoldo Aleman, affectionately known as Gordoman. And municipal elections.

So, the issue for the U.S. government at that time, and an issue expressed by many people in Nicaragua, but certainly in the U.S. Congress, was that there could be significant

segments of the population disenfranchised because they didn't have the opportunity to register to vote. Specifically, U.S. Congressional staff and members of Congress were concerned that the contras and the indigenous populations on the Atlantic coast would be underrepresented on the voter registration rolls.

So, in conjunction with the Consejo Supremo Electoral (CSE), the Supreme Electoral Council of Nicaragua, we worked in tandem with them to design a voter registration program throughout the country that USAID fundamentally financed. We opened up all of the polling stations that would normally be open on election day and opened additional polling stations in those areas that were determined to be underrepresented.

We ran this massive nation-wide registration campaign for at least two weekends prior to the 1996 elections. And the Embassy and USAID were in the field monitoring the whole process. When we did field trips, there would be one Embassy person paired with one USAID person. They would go out as a team, sometimes they would go out on horseback or in canoes to get to their sites. Some were out in the field for three days trying to get to their polling station to observe what was going on with the registration process. One team actually found a dead body in a forest they were going through. Pairing Embassy and USAID staff turned out to be a great team-building exercise. For all of us, voter registration and election observation were unforgettable experiences.

Q: Did everyone have to re-register? Was it a universal re-registration process or was it just for new registries?

PANEHAL: It was primarily new registrants. But we were also reconfirming people who had been registered before. So anyway, it was a massive registration process.

We also helped the Supreme Electoral Council with their publicity, producing and buying air time for radio and TV spots, billboards and pamphlets. Then after the voter registration drive, in the 1996 election we did the same thing, but this time in conjunction with a whole group of donors.

With the other donors, we mounted a nationwide electoral observation effort. All the donors agreed to issue a single statement issued on election night at the appropriate time, summarizing our collective observation effort. So, it would not be just the U.S. government expressing its opinion about the elections, it was a consortium of donors.

To coordinate this multi-donor effort, we set up a command center in the U.S. Embassy, staffed by Embassy and USAID staff. USAID and Embassy staff also developed all of the forms that the donor observers used to assess how free, fair, transparent and inclusive the election was. There were three forms we developed, one assessed whether the polling station opened on time, another we used during the day, and a final form we used when we observed closing the poll at night and observing the vote count.

All of the forms assessed whether there were political signs close to the polling station, any intimidation, whether the polling stations had sufficient staff and material, that kind

of thing. During the day, the donor observers called into the command center with their observations so the ambassadors had real time information on how the election was going. Then once the polls closed, we consolidated all of the information extracted from the individual polling observation forms and the donors collectively issued a statement election night about the quality of the electoral process.

Q: On the U.S observation side I assume that there were USAID and Embassy staff themselves who were observers, but I would assume that there were organizations like the Carter Center and NDI and IRI that had observers.

PANEHAL: The Carter Center had been very involved in Nicaragua as well.

Q: Right, so was this coordinating those three? NGO observation teams as well as the official ones. Was there a difference between what the donors were doing officially and what the non-profit organizations were doing?

PANEHAL: Well, I would say that we shared information with the non-profit organizations that were observing the election, but for a variety of reasons, they preferred to issue their own statements about the quality of the electoral process. But we were in regular contact with them throughout the electoral process. The pre-electoral process for all of us was just as important as what happened on election day.

Q: So, you all were observing from the registration process right through the election. So even during the campaign period you were also observing? Were you going out on weekends as well?

PANEHAL: Yeah. We may have to censor this, but we had such a close working relationship with the Supreme Electoral Council that when our folks were out in the field, especially the technical group, CAPEL, Centro de Asesoría y Promoción Electoral, the Electoral Advisory and Promotion Center, that was coordinating the USAID assistance that was going to the Supreme Electoral Council, these technical advisors were calling the president of the Supreme Electoral Council saying, OK we need the military to get a helicopter out to this polling place and deliver this much electoral material.

George Carner, the USAID mission director, was also out observing and constantly calling in to the Consejo Supremo Electoral staff, including the Consejo president, on what he was observing on election day and advising them of any problems.

Q: I think that shows a strong partnership, as well as their respect for the assistance they were getting.

PANEHAL: Yes, forging that close working relationship with the Supreme Electoral Council was even more remarkable from our perspective. We had a very close working relationship with the Supreme Electoral Council (CSE), not only at the highest levels on policy issues, but throughout their organization, at every technical level you can imagine, CAPEL staff were providing them with expert technical assistance that USAID funded.

CAPEL staff really integrated themselves into the CSE operation and worked side by side with the staff of the CSE. The CSE accepted our assistance, in part because at that time they were very interested in demonstrating that they could effectively hold elections. For us at least it was heartening, if not remarkable, that the president of the CSE was a Sandinista. But we still had an excellent working relationship with her.

Q: That is excellent.

PANEHAL: Other members of the CSE Board were from the Liberal Party. The Board was politically balanced, I believe three Sandinistas and three Liberals, but the president was Sandinista.

Q: OK that is a very positive thing to report. Given Jimmy Carter's long-time involvement with Nicaragua, did the Carter Center play a unique role and was USAID supporting the Carter Center or were they doing this on their own? Can you talk a little bit about that. And if Jimmy Carter came, what it was like having him as an observer.

PANEHAL: Well Jimmy Carter didn't come because he didn't need to come. In 1990 he did need to come, but in 1996 he didn't. USAID was subsidizing, but not fully funding the cost of the non-governmental organizations that typically do electoral observation, including the Carter Center. IRI because of their connection to Congress was also deeply involved in the pre-electoral and the electoral process. We also financially supported IFES (International Foundation for Electoral Systems) and the National Democratic Institute (NDI). I think there were five or six international observation groups that we supported. There was also a domestic, Nicaraguan observation group that we funded, helped train, and deploy, called Etica y Transparencia, Ethics and Transparency. They were also very effective. OAS also mounted an electoral observation effort.

Q: Were there any professional Congressional staff people themselves who came to observe?

PANEHAL: Roger Noreiga was there pretty frequently. He worked for Senator Jesse Helms at the time of the 1996 elections. Dan Fisk, who worked on both the House Foreign Affairs and the Senate Foreign Relations staff, was also deeply committed to and involved in Nicaragua elections.

Q: Was it difficult managing this election support effort because this was a country in which there was a long history of U.S. politics involved with our relationship with the country? Was that something that affected you at your level in the office? Or, was that something that George Carner as the mission director handled? Can you talk at all about the great interest of Nicaragua to many political figures in the U.S.?

PANEHAL: Yes, Congressional oversight of Nicaraguan elections, and USAID's electoral support, was constantly under scrutiny by Congressional staffers. The most important thing I think that the Embassy and the USAID Mission did was to forge a relationship with the CSE at the political and technical level. That didn't happen

overnight. It was a combination of everyone working towards a common objective of trying to make this work in their own organizational interest and Nicaragua's interest.

But we were all very cognizant of what our appropriate role was and then George Carner, as mission director of USAID, and John Maisto, the U.S. ambassador at the time, deftly managed the relations with key U.S. Congressional and Nicaraguan political party figures and candidates.

They were very adept at managing the relationship with both the Ortega folks and the Aleman folks. We were strictly non-partisan, trying to make sure that the elections were free, fair, transparent and inclusive. That was our motto. And they had every opportunity to talk with either George or Maisto about their concerns, I think both the Embassy and USAID consistently kept open lines of communication with both of those camps and I think they appreciated the fact that we were trying to be frank with them as well as sharing information that we had that we thought was appropriate. Yeah, it was very politically sensitive.

Q: It sounds like it was also very well managed because you had the full cooperation of all sides within Nicaragua?

PANEHAL: Yeah, it happened because George and Maisto made the overtures to make sure that at the Nicaraguan political level people were willing to buy into the process.

Then I think one innovative thing that George did, that drove us crazy but in retrospect was a super smart thing to do, he required all of the staff, all of the offices in USAID/Nicaragua to develop a results framework.

We had to identify and define what objectives we were trying to reach, how we were going to measure it, what inputs we needed to accomplish those objectives, when those inputs needed to be delivered, what the options were for organizations to deliver that kind of assistance. Those frameworks, it took us a while to hammer them out. This was the first time most of us had tried to do something like that and it was very complicated. In many instances, for us at least with elections, we were establishing goals and objectives that were beyond our manageable interests to deliver, and that is never a comfortable position to be in.

But we recognized that we had to have an objective that was higher than just our delivery of assistance. Simply delivering assistance wouldn't achieve our development objective. It did take a lot of thought and a lot of discussion to finalize those frameworks.

So once we were able to finalize the results framework, we were able to say to folks, OK here is the framework. What we said in this framework is very ambitious, so we can't go beyond this objective. The results framework also served to underscore that we can't achieve our objective if we don't have the resources, both human and financial, to implement the programs we outlined.

The Mission and the Embassy were all brought into these discussions and bought into this process. It recognized the critical path we all agreed to follow. The framework thus helped to avoid being overcommitted…other initiatives that were proposed that were peripheral, tangential and distracted us from our primary objective were more easily vetoed.

Q: Right and this enabled you to focus and not get distracted by external people proposing things. Did Washington have to weigh in on that process because you would be creating some potential tension in shutting some people out?

PANEHAL: Well George in particular was and Mark Silverman, who was deputy mission director then, they were very adept in making sure that the interested parties on Capitol Hill were fully briefed on what we were doing. They would send me up to DC periodically to brief the staffers on technical aspects of our program. They always had a lot of questions and they had tons of their own contacts in country, so they were always very well informed. USAID in Washington was also brought on board early on and they were very helpful in answering questions from the Hill. From my perspective, it was more of the Capital Hill folks that needed reassurance that we were moving in a direction they were comfortable with.

Q: It seems like this was an important lesson to recognize that in such a political program you really had to work very closely with Congressional staff and make sure that they fully understand what you are doing and why.

PANEHAL: And half the time they still wouldn't believe us, so they would come down and we would take them out to the field because they had to hear firsthand from the beneficiaries and their contacts that the program was working. When they got feedback from their contacts that we were doing ok, then that is when they started to believe us.

Q: I assume there were Congressional staff from both parties with slightly different perspectives coming at you or was it only from the former contra side.

PANEHAL: I would say that there were Congressional staffers from both sides of the aisle but they shared the same perspective and desire, which was to ensure that the Contra and indigenous groups were fully brought into the electoral process.

Q: OK, really fascinating. You said that you did have to go up and brief Congressional staff from time to time. How often would someone, either you are George or someone else from the Mission, be on the Hill briefing staff?

PANEHAL: I think we would be up there every three to six months. And the Congressional staffers would come down to Nicaragua every three to six months. And I would say that either George and/or somebody in the Embassy or USAID would be in contact with someone on the Hill every other day.

Q: Wow; that is a very close relationship. But you also then were able to do what you wanted to do.

PANEHAL: I don't think we could have done what we thought we needed to do without having established that communication bridge so closely with folks in Washington.

Q: Yes, that is very important.

PANEHAL: And we were in the field all the time. We would get a call saying we heard so and so and this happened. We would be able to say, we were just there yesterday so I can report to you what we saw and heard yesterday. That sort of calmed them down.

Q: And this went on after the election as well, that same sort of interest and frequent travel to Nicaragua?

PANEHAL: Well, we had elections again in 1998. We had the Atlantic Coast elections, which was another group that Capitol Hill folks were concerned had been disenfranchised too and so we put a lot of effort into the elections there. Getting folks registered. We would go down rivers in the middle of nowhere on pangas (locally made wooden canoes). It was really fun. The Embassy staff would all tell us they never had any experience so interesting as when they were doing electoral observations with us in Nicaragua.

Q: Yeah, well I am sure it really forged strong working relationships.

PANEHAL: It did.

Q: Was that primarily with the Political Section or did others in the Embassy, such as the Econ Section get involved also?

PANEHAL: Almost all sections in the Embassy were involved in the observation effort because it was a massive undertaking. But our coordination was mostly with the Political Section.

Personal relations helped! It helped that USAID's PSC Democracy Officer was married to the second in command in the Political Section. And the head of the Political Section, his wife was the head of the Embassy's Public Affairs Section. They both had three year olds. I also had a three year old. Our kids all went to the same day care and they were inseparable playmates.

Q: Ok, so the three-year-olds brought you all together?

PANEHAL: Yes! We all became good friends. Sometimes that is how it works, you know.

Q: And again, an important lesson is that one should use every mechanism you can to help bring about better collaboration. So even if it is a kid.

PANEHAL: It wasn't that intentional. It just seemed to happen that way. It was another bridge. Another bridge of trust between agencies and people. That was very important.

Q: In Nicaragua during that period there was one other really big thing that happened, That was Hurricane Mitch. That would have been about the same time as you said the 1998 election in the Atlantic Coast. That was the area that was most hit by the hurricane.

PANEHAL: Actually, Hurricane Mitch sat over the center of Honduras and more or less the center of Nicaragua. It hit October 29, 1998. It rained torrentially for days and days. I was in the U.S. for my Mom's retirement party when the hurricane started to develop. I flew back Sunday night on one of the last planes that got into Managua. That same night rumors started circulating that in a small village called Posoltega, there had been some kind of catastrophe.

But the military helicopters couldn't even get airborne to check what happened until three days later, Wednesday. By the time they were able to get to Posoltega, 2,500 people had perished, buried by a lahar. A lahar is when the lip of a volcano becomes so saturated with water that it collapses. It sent a tidal wave of ash and water down the side of the volcano at 60 miles an hour around 2 am. The sleeping residents only had a few seconds to react. The lahar buried 12% of the entire population.

So right after the hurricane hit, Lilliana Ayalde, then the USAID deputy mission director, organized USAID staff to put together disaster relief packages for Nicaraguans displaced and now homeless because of the hurricane.

I don't know how many thousands of packages we put together. And we had no money, so we were asking private companies for donations and to borrow their trucks. The mission director's secretary, I think her husband worked for a phone company, so she got trucks from the phone company to come and pick up all the disaster relief supplies we had bagged up. We had this huge assembly line, there is a video of it. All the USAID employees worked at night to package up all this stuff and get it on the trucks to go out to survivors

Structurally, that disaster turned our whole on-going assistance program upside down.

The biggest problem that we had was trying to figure out a way to modify our contracts so that we could provide assistance in response to Mitch. It was a huge problem. We worked tirelessly to figure out some way to modify those contracts, but we couldn't.

USAID, after that experience, included a clause in contracts from that day forward to allow Missions more flexibility to realign funds to respond to unforeseen circumstances like hurricanes.

Q: What kinds of things would be packaged up. Were these things that you yourselves were providing?

PANEHAL: Well, we bought the items. We used what they call discretionary funding in the Mission budget to go out and buy powdered milk and diapers and toothbrushes and toiletries, and non-perishable foodstuffs. Plastic sheeting for temporary shelter. That kind of thing. I think we were statutorily limited to using $50,000 of discretionary funding.

Q: This was before OFDA got mobilized?

PANEHAL: Yeah, this was like the week after it hit, and we still had no idea how extensive the catastrophe was because the roads weren't clear. We couldn't get out and we couldn't get over. Once we could get around, we had a better sense of how bad it was.

Then the U.S. military flew in emergency relief supplies, but to expedite the delivery of relief supplies, we had to convince the Nicaraguan government to allow non-governmental organizations with their trucks right onto the tarmac to offload the planes, without ever going through customs. So, USAID had to verify to the Embassy and the Embassy had to certify to the Nicaraguan government that we weren't bringing in any contraband, no drugs, no guns, nothing like that.

Again, this all worked out because there was a degree of trust that had been created between the two governments and their staff in country.

So the U.S. military basically took over air traffic control at the Managua airport. They had it operating 24/7.

But the U.S. military guys didn't speak Spanish, so USAID staff worked at the air traffic control tower around the clock translating between the U.S. military and the Nicaraguans. It was a seamless operation. It was amazing what they did.

One critical organizational decision that USAID made early on that was brilliant, we divided the country into geographic sectors. The most prominent NGO working in that geographic sector, with the best field operation, was designated to lead the disaster relief response in that sector. They were expected to address every aspect of relief operations in their sector, shelter, food, clothing. This avoided confusion and duplication of effort.

On March 8, 1999 we had a huge ceremony outside of Posoltega, where USAID had developed a program to rebuild housing for victims that survived the 'lahar' caused by Hurricane Mitch.

President Bill Clinton came to Posoltega to inaugurate the new housing, along with the Nicaraguan President Arnoldo Aleman.

There was a huge dust storm the day of the ceremony. We were wearing masks to try to keep the dust out of our mouth and nose. We looked like raccoons when we took our masks off.

We had seated many of the survivors of Posoltega in the first row. After Clinton and Aleman finished giving their speeches, Clinton came down off the stage and started hugging the survivors and shaking hands there. Aleman was still standing on the stage, stunned.

We Americans didn't really think much about Clinton's gladhanding, because we are used to it. But the Nicaraguans, including our own staff, were stunned. They said that for them, when Clinton, the most powerful man on the planet, got down from the stage and shook hands with the poorest of the poor, for them that really epitomized what democracy looks like in practice. The newspaper headlines the next day immortalized Clinton's action. It was amazing. So, something that we take kind of for granted was stunning to the Nicaraguans.

Q: Did you end up having to use up a lot of o your time managing VIP visitors? Were there any lessons learned that you would like to share?

PANEHAL: We had a lot of VIPs, but I don't think it was overwhelming. I think what we were so focused on was accomplishing the objective. And whatever it took to do that, that is what we would do. But I think John Maisto handled a lot of the luminaries that came down. I didn't feel like my attention was diverted from our main objective.

Q: And the fact that Mission Director George Carer had focused so much on creating a strong results framework for everyone by operating within that helped to keep everyone focused on what they were doing.

PANEHAL: And measurable objectives are something that I incorporated in all my subsequent missions where I was posted. It was a very useful management tool.

Q: I have heard George say before that it also helps to show the value of greater focus on implementation, and not just design and strategic thinking.

PANEHAL: Yes. It can be uncomfortable though. Having objectives that are beyond your managerial capability.

Q: Right. Were there cases when you realized they were beyond your capability and/or some assumptions turned out to be incorrect? Did you have to make adjustments to your frameworks?

PANEHAL: Yeah, from a financial standpoint and an outcome standpoint we had to adjust them. From the financial standpoint, periodically we realized we were not getting the money that we had programmed to achieve our objective. So now how do we make

adjustments? Do we scale back the objective or do we try to find additional resources to help us achieve the original objective?

Q: Yes, democracy governance money was usually not the most plentiful of resources.

PANEHAL: In that respect we were fortunate there was so much scrutiny from Congress.

Q: Right and the Congress would protect you. I suspect you were given priority in the budgeting process.

PANEHAL: We were certainly scrutinized.

Q: OK are there other things to say about the time in Nicaragua that were important to note because you were there at a very critical time. When was the next presidential election. It was after you left. Who won that one? Ortega?

PANEHAL: Ortega.

Q: Were you beginning to see signs that the Sandinistas might be gaining favor while you were there.

PANEHAL: At the tail end of the time I was there, there was a possibility that they might make a comeback. Many of the local mayors that were elected in 1996 were Sandinistas. But it wasn't really clear that they would take over nationally…besides, the country was still recovering from Mitch when I left in 1999.

Q: But the working relationship with the government sounds like it was quite strong throughout the time you were there.

PANEHAL: Yes, and we had a very strong relationship with the municipal governments as well, many of whom were Sandinistas. But they shared an interest with the Liberals and USAID in delivering services, so when we talked to them about municipal management improvements, they were all ears. It didn't matter whether they were Sandinista or Liberal. We had a very good working relationship with them in that respect.

Q: Were there elections at the municipal level as well?

PANEHAL: Yes, and in 1996 too.

Q: So, we were involved in supporting those as well?

PANEHAL: We were more involved in observing what was going on in the presidential election, but we were also interested and aware of what was happening at the municipal level. If I remember correctly, we were working with local organizations to create and promote debates between the candidates at the municipal level. We had been encouraging the mayors to be transparent in the way they discussed and approved the budget and to

allow the public an opportunity to listen to and comment on what the mayors were doing and proposing and to allow the public some input into how the municipalities formulated the budget and set goals. We were trying to forge a closer relationship between the Mayors and the municipal government and their constituency.

Q: Was this done with Development Assistance money you had for democracy and governance. Or did it come through the housing program?

PANEHAL: No, it was done through democracy funding.

Q: Other things about Nicaragua that we should be sure to cover?

PANEHAL: I will think about it a bit more, but for me the elections were all consuming. And then Mitch.

Q: Between elections and Mitch, you were kept pretty busy.

PANEHAL: We also did a lot with OAS/CIAV, which is a human rights organization. We funded a lot of their programs in Nicaragua. They were trying to pacify the northern part of the country and the Atlantic Coast, where there were still conflicts between the Contras and some other people who were living there. So, we financed a lot of their efforts to build bridges between them.

Q: This is sort of an off the wall question but given the long history of political turmoil in the country and the role the Catholic Church sometimes played, did you see any role of the church? Were religious groups involved with election observation or any of these areas?

PANEHAL: I don't recall the churches being involved in election observation. But OAS was also involved in conflict resolution through CIAV. CIAV (International Commission for Support and Verification) was part of OAS and they operated in areas where it wasn't safe for us to be, like in the northern part of Nicaragua, so they were our eyes and ears. But I don't recall any involvement with the major churches and our program.

Q: OK, I was just curious. Did you ever meet Ortega or see him?

PANEHAL: Yes. We crossed paths a couple times. When we had folks from the Hill in town, for example, Ambassador Maisto would have everybody over for a reception at his house. He made a point of always inviting all the political parties and all of the politicos. Ortega came to several of the events where we talked with him.

It was all about maintaining open lines of communication, so that when something did come up that was of concern to one party or another, they weren't reluctant to pick up the phone and say, hey what is going on? Then hopefully they would be able to work out a solution.

Q: When you left, would you have been surprised if someone told you that Nicaragua would be where it is today, some 20 some years later?

PANEHAL: I am heartbroken that it unraveled the way it did. I didn't really expect Ortega and his wife Rosario to be so authoritarian and destructive as they turned out to be. And I never would have guessed that they would have been in power as long as they have.

Q: I am just curious if you saw any of the roots of this.

PANEHAL: There were some indications, but certainly not to the extent that they were able to take and retain power the way they have.

Q: So, you were in Nicaragua for four years, 1995 to 1999. As 1999 came along, you went into a senior management group position. How did that process start? Was that something you initiated? Or did the Europe Eurasia (EE) Bureau reach out to you? How did all this happen?

PANEHAL: I didn't go to the EE Bureau then. In 1999-2000 I was at the National War College. I think I first heard about it from somebody who went to the National War College and told me what a great experience it was. I looked into it and talked with some folks. They encouraged me to apply.

Q: Oh, you are going to the War College. I thought you went directly to Ukraine.

PANEHAL: No, I went to the War College for a year. And then that summer when I was about to start at the War College, that was when I had to bid on a follow on position for the 2000 assignment boards. That is when people told me I should be looking at senior management group positions. So I started talking to Chris Crowley about being his Deputy Director for the Regional Mission for Ukraine, Moldova and Belarus.

Q: Ok so 1999 this all started. You went to the War College for the 1999-2000 academic year and then to Ukraine. Tell us about your War College experience. Since you ended up being faculty, I guess you enjoyed it.

National War College, Student, 1999 - 2000

PANEHAL: I think everybody who has gone to the War College wants to serve on the faculty. That is the dream job.

It was a great year. You had to work really hard. You were working with really smart people. It was an amazing learning experience. I was married to a Marine so I kind of understood a little bit about the military. But it was still an amazing opportunity to rub elbows not just with the military but with other U.S. government agencies that have a voice and a role to play in foreign policy making. It was a great experience and I think all

of us left our year of study at the War College with a whole list of friends and colleagues in other agencies that we could call and get feedback about various issues and concerns.

Q: Did you have to do a research paper? Were there some special papers you had to do and if so, could you tell us what they were?

PANEHAL: At that time all of the students had to focus on a particular country and write a paper about what they thought would be an effective national security strategy for that country.

Since I had lived in several regions of the world and several countries, for a variety of reasons I was more or less encouraged to look at a country where I hadn't worked or hadn't been studying or focusing on in the context of my work.

So I ended up writing my paper on Yemen. It was a fascinating desktop exercise of course, made more challenging because we couldn't actually travel to Yemen because it was too dangerous.

Since I had been to many countries before I went to the War College, they sent me to Saudi Arabia, Oman and Bahrain. Which was fascinating, but Saudi Arabia was particularly oppressive for me and the other woman in our group, because we were required to wear a full black burka, even in our hotel lobby, which was an American hotel!

USAID/Ukraine, Deputy Mission Director, 2000 – 2003

Q: So, Ukraine was then next. So, you went to Ukraine in 2000, and you went as the deputy mission director. Could you tell us a little bit about the program there and what you all were doing?

PANEHAL: So, I went to Ukraine with a husband, a dog and two grade school kids. Chris Crowley, the mission director and I actually had been talking about what schools to send my kids to. I put my kids in a school with an IB program from grade school through high school. It was a great experience for my kids and we loved the school and especially the principal, Steve Alexander.

Q: How old were your kids at this point now.

PANEHAL: So, in 2000, nine and six. We had to live in an apartment six floors up. Since the elevators were really small, my golden retriever wouldn't get into the elevator so when I went to walk her I had to walk her down six flights of steps and up six flights of steps every morning, and it is dark in Ukraine most of the time at that hour. Even when I would go to work it was dark. So, I would walk the dog in the dark.

When I first arrived in country and would go out in the morning to walk the dog, there was this big guy in a black leather coat, standing with his arms akimbo in the little

median where I walked my dog. I thought this was kind of unusual because it was 6:30 in the morning. Why would somebody be out at that hour, not doing anything in the park? Then I found out our phones were tapped at the USAID Mission. Later I got confirmation that our phone was tapped, even in my house!

Q: Just to keep an eye on you.

PANEHAL: Yeah, and I think once he realized I was just going from my apartment to my office, they stopped hanging around in the park in the morning.

The other disturbing incident, in the first month I was there, was on an outing I had with my family.

I had taken my kids and my husband to Andriyivskyy Street, which was an artisan shopping street. My daughter Dani, she was 6 at the time. I was carrying her on my hip. I had my fanny pack on and it had slipped behind my back because I was holding her. While still holding her, I felt somebody fiddling with my fanny pack. I didn't want anything to happen to Dani, so I put her on my other hip and as soon as I turned around, they were racing off with my wallet.

I reported it, of course, to Embassy security, and a couple of days later the police/SBU (their version of CIA) 'found' my wallet and brought it back to me. They maintained close tabs on us. They weren't quite sure what we were about. Anyway, that was my introduction to Ukraine's security services!

In terms of the program, we operated in three countries. We had 211 employees. I was monitoring Belarus, Chris Crowley was monitoring Moldova, and I would back him up, and then both of us had responsibilities for the implementation of the Ukraine program. Chris very adeptly managed all of the relationships with the Embassy and high-ranking Ukrainian counterparts.

I was managing a lot of the internal work. I did a lot of recruiting, evaluation and supervising of staff, budget and programming issues, developing the programs and writing up the programming documents, and managing some of the external relations with Ukrainian counterparts and implementing partners.

We traveled a lot in Ukraine, trying to monitor the programs; it's a big country. We had a big municipal program. At the time, Kuchma was president. We didn't have a very good working relationship with his administration at the central government level, so consciously and collectively the Embassy and USAID began to shift our focus to trying to strengthen democracy at the municipal level. And to try to improve services like national health services. We had a big tuberculosis program going on there. We also had a huge Chernobyl program going on, funded by USAID but implemented through EPA. We shifted our focus to working with folks who were reformers and interested in positive change.

Q: Were you working at the municipal level nationwide? Were there regional differences between East and West Ukraine and their interest in reform? Eastern Ukraine is closer to the Russian border.

PANEHAL: So in the eastern part of the country, like Kharkiv, we had a special program there to try and change the attitude of the people and to try and help them recognize that the Ukrainian government could try and deliver services and that they were part of Ukraine and it was to their advantage to be part of Ukraine. So, we actually had special programs specifically in some of those eastern Oblasts to try and integrate them more into the Ukrainian national mentality.

Then in other parts of the country, Western Ukraine and the central part of the country, we had reformers and change agents there as a result of the Fulbright and training programs, so we had Ukrainians who were already natural change agents and interested in delivering better services, whether it was in the health sector or the municipal sector or growing the economy or ensuring that newspapers were reporting objectively.

We had a very broad range of implementing partners operating in a whole variety of sectors. One thing that Ambassador Pascual did while he was ambassador, he would go out into the field and he would try to meet with everybody who had gotten a scholarship to study in the U.S. He would also meet with all the Peace Corps volunteers and folks who had benefited from USAID training programs. He would get them all together in that same municipality so they would recognize that in Zaporizhzhia or Lviv, for example, they would see that there was a group of likeminded, progressive people who were interested in reform. Ambassador Pascual wanted them to realize that they were not alone, they were not the only ones who were trying to champion reform, that there were other people in your same town that you could count to support you. I thought that Ambassador Pascual's approach was very astute, to try to promote change without investing a lot of money.

Q: Right and that being Zaporizhnya in Eastern Ukraine. It is interesting that the issue of identification as Ukrainians or identification with the government of Ukraine was an issue you were working on.

PANEHAL: Making them feel like they are a part of Ukraine is a long-term issue. At the time, there were lots of Ukrainians who spoke both Russian and Ukrainian, but Russian was their mother language and they preferred conversing in Russian. Even in Kyiv many Ukrainians, even some who worked for the Ukrainian government, spoke Russian as their first language. I met with Yanukovych, who later became president, in Donetsk one time and we conversed in Russian. I know that he spoke very little Ukrainian…when he ran for president, I heard he tried to learn Ukrainian, but it was very rudimentary.

In contrast, Western Ukrainians all spoke Ukrainian, and most of them only spoke Ukrainian. Even though many were also fluent in Russian, as a matter of national pride they would only speak Ukrainian. But once you got out of Western Ukraine, in the central

and eastern part of the country, there were as many people speaking Russian as their mother language, perhaps more than those who spoke Ukrainian.

Q: Then the people in the west, the reform-minded people were probably looking at European models of reform and the European Union. It sounds like a long-standing issue of what it means to be Ukrainian.

PANEHAL: Yeah, and the other reality is that most of the heavy industrial complexes were in the central and eastern part of the country. So, when the Soviet Union collapsed it was geographically those eastern parts of the country that were hardest hit by the economic downturn. So it is not surprising that in Eastern Ukraine modernizing and transforming the economy was crucial to promote the political and economic integration of the country. That is why USAID, other multilateral and bilateral donors, and the EU were very active there to try to address the legitimate economic, employment and health concerns of the people who were living in those depressed areas.

Q: Since they were the old Soviet manufacturing capabilities, were they all privatized similar to the way they were in Russia?

PANEHAL: If somebody wanted to buy them.

Q: What about natural resources? In Russia the oligarchs that became the wealthiest were the ones that took over oil and gas and mining companies. Did they do this in Ukraine as well?

PANEHAL: Yes, there were oligarchs in Ukraine too, some of them active in the oil and gas industry like in Russia.

Because of the mining and oil and gas industries in Eastern Ukraine, there were fairly frequent disasters, mines caving in, gas explosions, and unique public health issues, like thyroid cancer associated with the Chernobyl disaster.

Also, Russia had built a natural gas pipeline through Ukraine to Europe. It was one of their primary transmission lines. For Ukraine, proceeds from Russian gas transiting Ukraine was a key revenue source.

Q: But for Russia, it was easy to turn off the tap?

PANEHAL: Yes, and they did. Even in the winter, which they did in late 2008/early 2009. Some people froze to death because of it.

Q: Ok so an important objective of the program was to help the government of Ukraine build a national space.

PANEHAL: One objective was to promote national integration through the effective delivery of services at the local level, to try to create some sense of belonging to Ukraine

and to demonstrate that their government was responsive to their needs. I think that is one objective we were trying to achieve.

Q: Kuchma, you said was president or prime minister at the time?

PANEHAL: President.

Q: Where was he from; the east?

PANEHAL: Yeah, he was from the east, Dnipropetrovsk.

Q: You had a democracy program I assume. What was that primarily doing?

PANEHAL: Similar to other countries where I worked, we were working at the municipal level. Trying to strengthen the capability of municipalities to deliver services to their constituencies. We were also working at the local level on environmental issues like solid waste disposal. And the dumps that we wanted to transform into sanitary landfills at least.

So, there were a lot of environmental issues that we were trying to help them address at the local level, but we were also looking at delivery of services like health services at the local level. Usually, it was a combination of delivery of services from the national level, like for tuberculosis. We also had a high incidence of thyroid cancer due to Chernobyl. We had specialized services that we needed to ramp up in those areas where there was a constituency that were in need for these kinds of specialized services. We would work in concert with the municipal government where we would facilitate the delivery of those services, office space and whatever basic services they needed and wanted.

Q: You said we were still involved in the clean up at Chernobyl.

PANEHAL: Yes. The sarcophagus that had been erected at Chernobyl in the immediate aftermath of the meltdown in 1986 had been deteriorating. With USAID financing, EPA took the lead on covering the sarcophagus with a New Safe Confinement structure so that the sarcophagus could be demolished.

Q: So the EPA was implementing that part of the program?

PANEHAL: Yes.

We also had programs to support non-governmental organizations. Similar to what was going on in Russia, Kuchma's regime was trying to shut the non-governmental organizations down by saying they hadn't set up their bank accounts in the right way or they were receiving cash from the U.S. government. They were raiding their offices, confiscating their files. It was a very tense and ugly situation. The political party and non-governmental organizations were particularly targeted.

Q: You mentioned EPA. As with all the former Soviet Union countries, there was a Coordinator's Office in the State Department. Could you talk a little bit about how that process worked with the Coordinator's Office. I know in the early days, there were some difficulties, but I think that changed over time. I am wondering what it was like during the period you were in Ukraine.

PANEHAL: So, within the Embassy, my day-to-day technical and sometimes political coordination was with the Economic Counselor. He was great to work with. He was super smart, exceptionally knowledgeable, an expert in his field, and very supportive of our programs and our efforts. We respected and trusted each other.

We would often meet several times a week; depending on the issue, it could be several times a day, if that was what was called for.

I would also meet with Masha Yovanovitch, the deputy chief of mission, second in command in the Embassy hierarchy, every week. So, I would coordinate with her.

Chris Crowley would meet with Ambassador Pascual every week to coordinate at their level.

All three of us would then coordinate with the Coordinator's Office in Washington. My recollection was that Bill Taylor was the Coordinator at that time. He was the former U.S. ambassador to Ukraine. He had a very close working relationship with both the Embassy and the USAID folks. I worked with Bill on several issues. He was extremely knowledgeable, supportive and insightful. I really don't recall having a lot of conflicts with the Coordinator's Office.

Q: I think that's a sign that the relationship was smooth.

PANEHAL: Yeah, and we were very fortunate that was the case.

Q: What was it like working for the ambassador who had been a former USAID officer?

PANEHAL: Actually, we started in the same IDI program, the entry level program at USAID.

Q: That is right.

PANEHAL: Yeah, so it was fine. In fact, when I was teaching at the War College, I contacted Ambassador Pascual because he was then living in Mexico. At the War College, I had a class of students that were working on a design of a national security strategy for Mexico. We planned a trip to Mexico so I called Carlos and asked if we could come see him when we were in Mexico. He graciously accepted our invitation. We had a wonderful time visiting with Carlos in Mexico and he provided the students with his invaluable insight into the inner workings of the Mexican government and their perspective and relationship with the U.S.

Q: I know that Carlos, when he was ambassador in Ukraine, was very concerned about the HIV/AIDs issue in the former Soviet Union. He called together ambassadors and USAID Directors from the region to come to meetings in Ukraine. Were you involved in that? I know I went over from Moscow with not the ambassador, but with the DCM.

PANEHAL: Chris was probably more involved in that than I was, and the director of the health office. We had established strategic objective teams in Ukraine, following on what George Carner had taught me. We did strategic objective teams, so to the extent we were able to delegate to the strategic objective team leaders, that is what we did. But we also had a big anti-trafficking program in Ukraine as well. And in Moldova.

Q: Yes, I believe one of the implementers of that program in Ukraine was the daughter of George Kennan. I can't remember her name, but I believe she lived in Ukraine, maybe elsewhere.

PANEHAL: It could have been after my time too. I was there for three years. I think that was the first time I was working on an anti-trafficking program. It was very illuminating. Troubling, extremely difficult to address the root causes.

Q: Anything more you want to say about what you were doing and what you saw that worked and didn't work?

PANEHAL: I think I had some misconceptions about who was being trafficked. I think I went into that sector thinking they were young women who were being enticed into the business, and there was some of that. But there were surprisingly a lot of middle-aged women whose families were depending on them to make money and there was no other way for them to make money so they got involved in trafficking themselves.

Some of them went to Italy and we would rescue them and bring them back. When they still couldn't find any viable employment in their home country, they went back to being trafficked. It just underscores the issue that people don't want to be trafficked, they feel compelled to because of economic circumstances. Unless you address their economic circumstances, the cycle is just going to repeat itself. So it is much more complicated than merely convincing women not to be trafficked. It is more grounded in economic difficulties.

Q: A question I should have asked about Nicaragua and forgot to. So, if you have any comments about Nicaragua you can add them. Specifically, about the role of Foreign Service nationals. I wonder if you could talk a little bit about how that was in Ukraine and then if you want to opine on Nicaragua, you can or you can do that when you edit afterwards.

PANEHAL: Well, I think I mentioned how critical our foreign service nationals were in Honduras when our building was burned. They really did save us. In every country I have worked, they are really the heart, soul and backbone of our operations.

They are our eyes and ears about what is really going on in the country. We all relied on them for their insight and their judgment and their ability to gather information. We just had a superb collection of foreign service nationals and third country nationals working with us in the democracy office in Nicaragua. In fact, one of the third country nationals that was working with us was from Costa Rica, and he is now the Costa Rican Ambassador to Singapore. We are still in contact.

I still am in periodic contact with FSNs from Nicaragua, Ecuador and the DR. The same thing holds true for the staff in Ukraine, the foreign service nationals. We went through some really hard times in the three years I was there. We had a huge budget cut that required us to let staff go. That was heartbreaking. Then we had five of our staff die in various circumstances in the three years I was there. So, we had to do a lot of counseling for the staff because it was a very traumatic time for all of us.

Q: Were these natural deaths or other.

PANEHAL: A car crash, a natural death, but a young person. Then, one of my oldest daughter's schoolmates and her father, who worked at the Embassy, they were both killed in a car crash, which just broke the heart of everybody in the Embassy community because she was just nine years old. That was very sad.

Q: Did you all get the help that you needed to deal with those issues? Or did you all yourselves have to figure out how to do the needed management and grief counseling? Did Martha Reese, who worked in Washington as a counselor with USAID, spend time with you?

PANEHAL: Martha worked with us. Then especially when the Embassy father and his daughter died, the Embassy brought in some help. Especially the kids, you know her schoolmates, needed help.

I remember when our budgets were cut, it was a really difficult, tense time for all our staff. Everyone was on edge, worried that their budgets would be cut, or even worse, they might lose their jobs.

I had bought my girls this five-foot-tall, inflatable Tyrannosaurus Rex. I brought it into the office and put it in our main conference room. I put a big sign on it, "If anybody needs to let off steam, or feels the need to punch something, come in and punch the T-Rex!" I think people were probably too embarrassed to do it, but they got a laugh out of it and I think it sent a message that senior management was aware of and concerned about how all the budget cuts were affecting staff personally.

Q: Well, that kind of stuff is important. I know you are going to have to leave in just a minute or two, so I am wondering if we should stop now?

PANEHAL: OK.

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Q: Today is December 11, 2023, and this is interview number 3 with Alexi Panehal. Alexi when we finished up last time you were in Ukraine, and we agreed there were a few additional subjects you wanted to talk about. I know you had mentioned you had instituted strategic objective teams in the USAID Mission in Ukraine and I was wondering if you wanted to talk a little about that and some of the results reporting you were doing.

PANEHAL: Yes. So one of the lessons that I carried forward from working with George Carner in Nicaragua was the importance of defining what our developmental objectives were with programs, not just the output we were striving to achieve, outputs like educating X number of students or women or girls.

But results reporting requires that you define how that output fits into a broader strategic framework. When we got to Ukraine in particular, because we were facing some budget cuts, it became more important for us as a Mission to evaluate what had been accomplished with the resources we had and to be more strategic about where we thought it was most advantageous, from a development perspective, to invest the remaining resources that we had in the future.

It is never easy to try and encourage people to think beyond your own office, because it is usually reliant on variables that are beyond your control. So it is not comfortable for anybody. But when we are thinking about how you ensure that there is impact and sustainability in your program and ensure that there are change agents in your country that have embraced your programs, it is critical to ensure that the programs are sustainable, that they are rooted in local change agents that have adopted it, that they own the program, and that it is rooted in the local culture.

Going through that process is very time consuming, but ultimately, I think it allowed us to be more invested in the specific programs that the entire Mission agreed were the most important to continue funding. That of course included programs related to anti-corruption, programs supporting non-governmental organizations across a wide range of interests in Ukrainian society, NGOs working on freedom of the press and other watchdog organizations, political party strengthening, monitoring and increasing participation in elections, as well as NGOs working on social issues like equal rights for women, anti-trafficking, and supporting NGOs working in the health and education sectors.

Q: Were there a mix of Ukrainian NGOs and international NGOs?

PANEHAL: Well, by the time I arrived at post, we were funding mostly Ukrainian NGOs, but they were NGOs that had been previously supported by U.S. or international organizations.

At the time I was in Ukraine, Kuchma was president and he was closely allied with the Russians and their government, so it was a very repressive regime, particularly with regard to freedom of the press.

We were supporting organizations that were trying to promote objective reporting, but because it was a very repressive regime, there were many instances where we felt we were making more progress at the municipal level than trying to generate that kind of reform nationally. That is not to say there weren't some people in the federal bureaucracy who were interested in reform, but the bureaucracy itself, the structure and management, suppressed and sometimes retaliated against anyone within their bureaucracy who was reform-minded.

So that is why we shifted our focus to work at the local level and support change agents that did exist at the municipal and state level. At the same time, we were supporting programs, particularly in the health sector and the education sector, that resulted in more efficient delivery of health and education services throughout the country.

In a lot of cases, and Ukraine is just one example, better health or education services are often concentrated in the capital city. Secondary and smaller cities were not provided the same level of resources to offer services anywhere near those available in the capital city. So we found that there were many branches even of the federal government, operating at the state, provincial or municipal level, who welcomed the assistance we offered, such as treatment of tuberculosis and victims of thyroid cancer related to the Chernobyl disaster.

Q: Did you see any of the roots of what became the "Orange Revolution" in Ukraine in 2004/2005?

PANEHAL: So, we were a regional Mission working in Moldova, Belarus and Ukraine. Belarus had, and still has today, one of the most repressive regimes in the world. We had no programs with the national government; almost all our assistance was provided to NGOs, and even then, it was provided indirectly through technical assistance provided by international NGOs, because it was dangerous for Belarussian organizations to receive any direct funding from the U.S. government.

Although there were repressive regimes in both countries at that time, the threat was much more overt and pervasive in Belarus than in Ukraine. So in designing our programs in Belarus, we had to be very careful that we did not endanger our counterparts.

So particularly in Belarus, one of our core development objectives was simply to provide change agents and non-governmental organizations with enough assistance and protection so that they could survive until there was a new regime that was more amenable to working with them.

In the case of Ukraine, I would say that if there were elements of the Orange Revolution, they were very much under the radar at that point.

Q: I am assuming that you also had a number of partnership programs with U.S. organizations. At least in Russia there were a number of community-to-community partnership programs, at least in the health sector. Did you have those in Ukraine as well?

PANEHAL: My recollection was we had some city-to-city partnerships as well as some health partnerships. But for the major programs like tuberculosis and our response to Chernobyl, those were not the kinds of programs that an organization in the U.S. would have the skill set to assist the Ukrainians in implementing. But certainly at the municipal level, there were a lot of municipal teams and city-to-city partnerships that we were sponsoring. We also had a big program, as I believe I mentioned before, where we were providing technical assistance to a relatively large number of municipalities to improve the delivery of municipal services, like water, sanitation, and public health.

Q: I ask in part because I know there were large Ukrainian American populations in the U.S. and as you were going through budget cuts, were there domestic political pressures that you had to deal with as well? I know that Armenian-Americans are very involved in budget levels and what got done in Armenia. I was just wondering if Ukraine had similar types of pressures.

PANEHAL: There was a lot of pressure, but I think the Embassy did a really remarkable job trying to insulate us from that. I remember there was a group of Congressmen who had formed a Ukrainian caucus, and they were very forceful in trying to articulate the kinds of problems they were interested in. They would visit us at post with some degree of frequency and let us know what their preferences were. Which is fine, I mean that is part of the process.

Q: You were well schooled in that after Nicaragua.

PANEHAL: Yeah, that is true.

Q: You mentioned briefly the anti-corruption work. Is there more to say about what you all were doing and the importance of recognizing it at that time as a critical issue?

PANEHAL: One of the things I found distinctly different from what we were able to mount, at least in terms of programming in Nicaragua and Ukraine was that in Nicaragua our anti-corruption work was broad-based, multi-faceted and multi-sectoral. It included working with a core group in the Nicaraguan Congress who were interested in promoting legislation to improve transparency in budgeting and monitoring the use of federal funds. So we had a legislative angle to our anti-corruption program.

We also had a public opinion side to our anti-corruption program, which was widely respected in both the U.S. and by the Nicaraguan public. This aspect of our program we implemented through Vanderbilt University. They conducted and published two public opinion polls on corruption over the four years I worked in Nicaragua. The reports were called, “Nicaraguans Talk About Corruption.” Those public opinion polls captured not

only people's perceptions of corruption but their actual experiences in having to work with or encounter corrupt public officials. We also had a very active training program for reporters to improve their ability to investigate and write articles about corruption.

What was interesting, and at first blush somewhat contradictory, is that the Vanderbilt public opinion reports over time indicated there was a decline in actual incidents of corruption, but peoples' perceptions about the pervasiveness of corruption increased over that same time frame. This may in part be attributed to increased public awareness about corruption, and particularly, more media attention on the subject as a result of U.S. training of reporters on corruption.

We also had, of course, a lot of non-governmental organizations that were working on promoting transparency at all levels of the government. In the electoral sphere, initially working through Transparency International, USAID helped fund a local Nicaraguan NGO, Etica y Transparencia, Ethics and Transparency. It was founded in April of 1996 to provide Nicaraguans with their own domestic election monitoring and observation capacity for the 1996 local and presidential elections. It continued to operate in Nicaragua from 1996 until 2022. Talk about sustainability! And the guy who was the original founder of Etica y Transparencia, Roberto Courtney, was still the president of Etica y Transparencia in 2022. But in 2022, Ortega's regime canceled Ética y Transparencia's persona juridica—its legal certification—and confiscated their building.

So in Nicaragua, the anti-corruption program was multi-faceted. But in all fairness, Nicaragua is a relatively small country compared to Ukraine. So it is much more difficult with the resources you have in hand to be able to promote as broad-based programming in anti-corruption as we were able to do in Nicaragua.

So in the case of Ukraine, I think what we tried to do was incorporate elements that promoted transparency in all of our programs. So in addition to having specific support for non-governmental organizations and journalists to promote transparency and corruption, we also incorporated elements that promoted transparency in our broader health, agriculture, and education programs.

Q: OK that is helpful, thank you. Given your earlier work in Eastern Europe, did you see differences in how transformation was happening in Ukraine to perhaps what was happening in Eastern Europe a few years earlier when you were working in that region? I am just curious whether you felt any significant difference.

PANEHAL: That is a great question. Let me answer it this way. I think that there was equal interest in and enthusiasm for adopting reforms as quickly as possible in Ukraine as I saw in Eastern Europe. I also think there was equal capacity to understand the kinds of reforms and the sequencing of reforms that they thought they needed to adopt. Ukrainians also had the capacity to adopt those reforms. They understood why they were important, and they had an understanding of how they thought they needed to be implemented, as much as they did in Eastern Europe.

I think the big difference between what you were able to see in terms of the rapid change in Eastern Europe and what you were able to see in Ukraine, was totally dependent on political will. You had more progressive regimes in most Eastern European countries, not all, but most, along with a population that was pushing for those changes.

In contrast, in Ukraine you had a population that was divided, one side pushing vocally for those reforms, and another side feeling left out, left behind, ignored, and disenfranchised by those progressive reforms. So a good part of the Ukrainian population was opposed to reforms. Plus with Kuchma in power, you had a very repressive regime. Those were the big differences I saw between Eastern Europe and Ukraine. As a result, in Ukraine, reform moved a lot slower at that time than in Eastern Europe.

I did want to mention one other thing now that I think about my experience working in Eastern Europe and the NIS. So you asked before about the influence of U.S. organizations that had particular interest in ensuring that their organizations were receiving continued support from USAID. There were many U.S. companies who had Eastern European ethnic ties who were interested in tapping into USAID resources in both Ukraine and Eastern Europe. But there were many more inquiries from U.S. private sector companies about trying to figure out a way to work in Eastern Europe. Anyway, when I was working on Eastern Europe and the NIS, I felt more pressure from U.S. interest groups than I did when I was in Ukraine.

Q: OK, that is helpful. Thanks. Are there other things about Ukraine before we move on?

PANEHAL: Well, I think that in every country I have worked in there is always some new facet of development that I had not been exposed to before. So from a personal perspective, being exposed to new programs was extremely helpful to me.

In the case of Ukraine, I was fortunate to have worked with EPA before in Eastern Europe and the NIS. But in Ukraine, we had a huge program with them in terms of the sarcophagus we were building around Chernobyl. Working on Chernobyl was a new experience. I also hadn't previously worked on thyroid cancer issues related to Chernobyl. That was also a new experience for me.

The third new area for me was anti-trafficking. This was the first time I was working in a country where anti-trafficking was such an important and prominent issue for USAID and for many of the non-government organizations that we worked with. I realized how complicated it was. There is no simple solution. And it is rooted, as all of our problems are, in a much larger societal context. So anti-trafficking was another new program for me.

Q: Speaking of that, were people nervous about serving in Ukraine or working on Chernobyl fallout issues? Was that an issue at that point in time? This is quite a bit later.

PANEHAL: It was 1986 when the disaster happened. I was there 14 years later. So, it wasn't for us. I didn't sense that there were many Americans who were deeply concerned about it.

But the Ukrainians in general, because of Chernobyl, have a very pronounced and homeopathic approach to their health care options. Much more so than I have seen in any other culture where I have worked. The guy who would drive my kids around when I couldn't take them hither, thither, and yon, and the massage therapist I had, they promoted all sorts of homeopathic remedies that people had adopted after the Chernobyl disaster.

Q: So, you were in Ukraine for three years?

PANEHAL: Three years. 2000-2003.

Q: So, 2003 comes along and you have to decide what is going to happen next. What transpired?

PANEHAL: So, I had two daughters and a husband at the time, and a dog. Where we went next was always a family decision. When we decided to go to Ukraine, three of us were in favor of the move, one was not. So the next tour, the one that didn't get their choice, was the one who decided where we were going next, and that was back to the States. So we went back to the States.

USAID/Washington, Global Bureau, Head of Infrastructure Office, 2003 - 2005

Q: What job, what were you doing in that period?

PANEHAL: I was head of the Infrastructure Office. It was a worldwide program that was really fascinating, going back to my roots in some respects, but it had expanded into areas much broader than housing and infrastructure financing at that point.

Q: What bureau was that in in Washington?

PANEHAL: It was in the Global Bureau.

Q: At that point, were you heavily involved with the infrastructure work that was being done in Iraq and Afghanistan? Was that part of your portfolio or were you completely separate?

PANEHAL: We were providing technical assistance to the Missions that were implementing these programs, but we weren't directly managing it.

My office wasn't involved with, let's say the ring road in Afghanistan or anything like that. But I did end up going on TDY to Afghanistan for a couple months to help Jim Bever, the mission director there at the time. Kabul was inundated with refugees fleeing

Taliban fighting in the countryside. There were refugee camps all over Kabul. I worked with Afghan municipal officials, NGOs and United Nations agencies, like UNDP, to try to devise and improve housing solutions for these refugees.

The Infrastructure Office also worked on issues related to disaster response. I guess because of my background in infrastructure, I was also pulled into the response to the tsunami in Indonesia. The field staff spearheaded this operation, but Washington set up a Tsunami coordinating group to support folks in the field. Bill Frej was the USAID mission director when the tsunami hit Indonesia. He was a former Housing and Urban Programs officer. He did a great job.

Q: A young former housing person.

PANEHAL: Yeah. We were VERY busy.

Q: So, you were doing a variety of things. But it sounds like it probably was not your favorite assignment.

PANEHAL: It was not boring. Sometimes you think if you go back to something you have done before, it may not be all that challenging, but it was very challenging, I guess because of the other additional issues we were pulled into to try and address.

Sometimes there is a love/hate relationship in the Agency with former housing folks. We were still the repository of a lot of the technical expertise in the Agency and we were called upon because folks knew us, and because they knew we still were the repository of the Agency's technical expertise. So we were busy.

Q: So did this office replace the Office of Housing?. Or was there still an Office of Housing as well?

PANEHAL: By this point, the housing guarantee program, which provided the financing for our housing programs worldwide, had been discontinued by Congress.

The Congressional budget people considered the housing guarantee program as an off-budget line item. Given the substantial amounts of housing guarantee loans that had been made, they considered the loans that still need to be repaid as an unfunded liability for the U.S. government. Therefore, they wanted the housing guarantee program reflected in the budget.

We argued that the program was self-financing. We charged a commission on every loan made. The commissions that the program earned financed all of the grant funded technical assistance and training that we offered to countries that had housing guarantee loans. Given that the entire program was financed from our own resources, we felt it justified it being off budget.

The other issue that Congress raised was the possibility of countries that had borrowed money from the housing guarantee program defaulting on their loans. But the program consistently had less than a 1% default rate, a rate low enough that the program could easily cover any defaults on loans.

Regardless of the merits of our counter arguments, the Congressional budget folks insisted that we bring the program on budget. That undermined a lot of the financial advantages of the program and brought an end to housing guarantee loans.

Q: OK but it then morphed into the Office of Infrastructure.

PANEHAL: Yes, but now we were not doing housing finance. We were only doing grant-funded infrastructure. The Office of Housing and Urban Programs gained its expertise in infrastructure as a way of trying to reach lower income families.

The program initially financed middle income housing in South America. Then we morphed into low-income housing and then we realized that we weren't reaching the poorest of the poor, because they couldn't afford to pay for a lot and a house; that was beyond the financial means of the poorest of the poor. So then we moved to sites and services, where beneficiaries paid for the lot and then over time added piped water or maybe electricity. That approach then morphed into bigger grant funded infrastructure programs. So we kind of backed into the infrastructure angle of development as a result of trying to get our housing program affordable for really poor families.

Q: OK because USAID had not done a lot of infrastructure programming other than that which was related to the Housing Office for many years, there was a shortage of engineers, and all of this came to a head during the post conflict programs which in general required a lot of infrastructure investment. USAID had some difficulty in managing that.

PANEHAL: Yeah, and given our background, we were trying to help the Agency figure out a way to recruit and hire more engineers.

Q: OK and you did that for two years?

PANEHAL: Two years.

Q: Did the family have a vote again?

PANEHAL: Yes, the family had a vote and so we ended up in Ecuador from 2005 to 2009. And we had a great ambassador, Linda Jewell to work with.

USAID/Ecuador, Mission Director, 2005 - 2009

Q: You went out as the mission director.

PANEHAL: I went out as mission director. I bid on Ecuador because of my kids previous academic experience in Ukraine. They got a really good, ethics based education and had a really good experience in the international baccalaureate program in Ukraine. So, when I was bidding on onward assignments in 2004, I only bid on countries that had an international baccalaureate program for my kids. My oldest daughter was going into high school and the other one was in middle school. I really appreciated the value set this particular academic program instilled in the students. So that was a big reason why I decided to bid on Ecuador. I was also comfortable working in Latin America, and my girls had already been exposed to Spanish when we lived in Nicaragua for four years, so I hoped it would be a good fit for the family.

Q: OK, that is important. Was it the international school in Quito that had the international baccalaureate program? Or, were there multiple international schools and the one you selected had the IB. I am just curious.

PANEHAL: There were several international schools. But the IB school that my kids were in had the largest student body.

Q: Was it a mix of international and Ecuadorian kids?

PANEHAL: Yes, but I would say it was mostly Ecuadorian.

Q: Can you tell us a little bit about the USAID program in Ecuador. It has gone up, down and sideways for years. What was it like in the period you were there? Was it a positive period or a negative period? Or a little of both. Because in four years we could have been all of the above.

PANEHAL: Yeah, so it was both. Yes, the budget did vacillate quite a bit, from about $35 million in 2005 to $29 million in 2009. But we worked really hard to leverage additional resources for our program. In 2007, with an Operating Year Budget (OYB) of $24 million, we documented that we had leveraged an additional $11 million for our development programs. In 2008, our OYB dropped to $17 million, but we leveraged over $16 million in additional resources.

I think for me as mission director, one of the most positive aspects was the close working relationship that we had with the Embassy. So, when I arrived there in 2005, USAID started the process of putting together a new strategy for Ecuador. We set up a whole series of working groups with Embassy staff. We came up with a framework that the Embassy, the ambassador and the USAID staff fully endorsed. But when we presented that framework and the estimate of budgetary requirements to implement it to Washington, they were not as responsive as we had hoped. On the USAID side, we appealed to our Washington hierarchy, but were turned down. The ambassador then said, 'I want to push this on my side of the aisle.' She pushed on her side, but unfortunately, we did not get a lot of traction on that side either.

Although we were stymied in getting the resources we felt were necessary to achieve the strategic objectives we had defined, the fact that we had worked together with the Embassy to formulate the plan created a very strong basis of understanding about our program and its goals with a wide range of Embassy staff. So even though we were not getting all the resources from the USAID side of the ledger to implement our program, Embassy sections, public affairs folks and the political section, started to identify resources for programs that helped both of us. Embassy staff always had their antenna up trying to find additional resources for us. So in retrospect, jointly developing our strategic framework with Embassy staff was a very fruitful exercise I think.

Q: I assume the program was mostly Development Assistance funds?

PANEHAL: Yes.

Q: Did the State Department allocate any ESF (economic support funds) for Ecuador?

PANEHAL: I don't believe the Embassy had ESF funds at that time.

Q: Since you didn't get the resources that you hoped to implement the strategy, did that mean you had to cut back on the strategy? Did you have to focus more? Did you have to delete some aspects of the strategy that you hoped to do?

PANEHAL: Yes, one of the key aspects of the joint problem analysis done by the Embassy and USAID was that young Ecuadorans were becoming radicalized, and not in a good way. When we dug deeper into the root causes of that radicalization and when it occurred, we learned students were being radicalized not in college or even high school, as we had presumed, but that the radicalization process began as early as middle school. That is where they were first being exposed to a lot of these ideas. So that is why we advocated for a program that went well below the higher education level. We needed to integrate more civics programming not just in high schools but down into middle school. But we didn't get traction with Washington so we could not secure funding to address this root cause of instability.

But it was still something that we had collectively developed an understanding of. Money is not always the only way you promote development… so when we were doing speeches or public affairs we would talk about radicalization of youth. When we were looking for folks to send on training or scholarship programs to the U.S. we would send civics teachers or young people that were change agents to combat this radicalization. Even though we had no money to finance this effort, we still considered it a serious enough issue to put it in our strategic framework. Then the Embassy and USAID identified ways to use our existing programs to focus on this existential issue.

Q: The government in place at that point -- was it a free market-oriented government at that point? pro-democracy? Or was it a more Marxist-oriented government during the period you were there?

PANEHAL: Right. So, I got there in 2005. In 2006, we had presidential elections. The ambassador, Linda Jewell, was very even-handed and reached out to all the candidates and even made a point of inviting Rafael Correa, the anti-U.S candidate, to her house for a reception. She set the tone and because of her leadership, all Embassy and USAID staff interacted with all the candidates

Q: Who is Rafael Correa ?

PANEHAL: Raphael Correa is a radical, left-leaning politician who has a big chip on his shoulder about the U.S.

Q: A radical far left candidate?

PANEHAL: Yeah, anyway he was elected president. When Correa was elected president, Ambassador Jewell and Correa maintained a very open channel of communication. To the extent I understood what was going on in terms of their relationship, they were very candid with each other. So, despite all of the many differences between Correa and the U.S. government, Correa and Linda Jewell always maintained an open line of communication. Even if they were only able to communicate their positions, they were always able to maintain communication. That was really important to us.

In terms of the USAID programs, Correa didn't believe that the U.S. government should be funding development projects in Ecuador. He felt it was a stain on the reputation of Ecuadorans that they weren't capable of financing their own development projects. So he would go up to the northern border, where we had a lot of projects, at our invitation to inaugurate one of our projects. When he got up on stage, he went into a tirade, yelling, 'Why am I up here inaugurating this project funded by the U.S. government. This is an embarrassment to me. We should be doing this ourselves.'

I think it was almost every year that I was there, every year we would have to justify to his administration every program with every ministry and argue why the program should be continued. All of the ministers that we worked with were also trying to convince Correa to allow us to continue helping their ministries. We had to invest a tremendous amount of time and energy and so did his ministers to claw Correa back from the edge. But generally, after a lot of time, effort, sweat and some tears, we usually were able to convince Correa to let the programs proceed, but for just another year.

Q: So, you all worked closely with the ministers to help defend the program.

PANEHAL: Yes. And at times, when politics made it difficult to get a message to Correa directly, we would sometimes back-channel through the Vice President, Lenin Moreno.

Moreno was wheelchair bound. He was shot in the back when he went to the neighborhood grocery store to buy a loaf of bread. Because USAID had developed a robust persons with disabilities program in Ecuador, USAID staff and our implementing

partners were frequently in contact with the Vice President about our programs and worked with him on the design of at least one of the programs we got funding for.

Q: What were the main programs that you were doing?

PANEHAL: Well, we had a huge program on the northern border. The intention was much like we had done in Nicaragua and Ukraine, to try and improve the delivery of government services, particularly to those communities on the border with Colombia, so that they felt they were a part of Ecuador. The hope was that we might avoid the kind of coca production and drug cartel activity in Ecuador that we were seeing across the border in Colombia. We also had 50,000 Colombian refugees living in Ecuador at the time.

Q: Were these primarily indigenous populations in these areas as well?

PANEHAL: No, it was a combination of indigenous populations farther to the east and Spanish populations on the western side of that border. So that was one of the programs and of course Correa, as I mentioned, went to inaugurate one of those projects and went into a tirade about it.

Q: Were you there?

PANEHAL: I wasn't there when he inaugurated the project. One of the staff who I worked with in Nicaragua with OAS/CIAV was now the head of the program on the northern border for OAS In Ecuador. So, we had a very long and fruitful relationship with OAS in both countries.

Q: Was this then a multi-donor program that you were doing, or was it USAID alone?

PANEHAL: It was USAID funded.

Q: So you did a grant with the OAS?

PANEHAL: It was with OAS/CIAV, which is the human rights arm of OAS.

Q: Oh, I would think it would make it much more palatable to the government working with OAS.

PANEHAL: Yes, but Correa knew the money for OAS came from the U.S. So, we had a huge program on the northern border, trying to help the Ecuadorian government deliver services so that the people that lived there felt integrated into Ecuador and would be less tempted to grow coca and address the basic needs of the 50,000 displaced Colombians.

We also had a very large environment program that supported the preservation of land that belonged to indigenous Indian groups, many of whom also lived along the Northern Border. There were also indigenous groups on the southern border with Peru that we

helped. And we had a long standing and robust environment program in the Galapagos Islands.

Another key element of our program was democracy promotion. We had a lot of election observation efforts in Ecuador with the presidential election in 2006 and then two years later we had local elections. So, we worked again with OAS on a joint election observation effort in Ecuador.

Ecuador is also prone to a lot of disasters; volcanic eruptions, flooding, and earthquakes. We had a pretty robust disaster mitigation, prevention and response program in Ecuador. This included training, financing monitoring equipment to better predict disasters, and funding warehouses around the country stocked with relief supplies.

But I think the program I was most proud of was our assistance to persons with disabilities. It all began because of our computer systems manager, Julio Mantilla. Before he joined USAID, he was in the Ecuadorian air force. He was a pilot and one day his plane crashed on landing. As a result of that accident, he was wheelchair bound.

But he was a fantastic systems manager! I don't speak for anybody but myself but I have to admit that I am more than sometimes digitally challenged. I could always count on Julio to help me. He was always so compassionate and kind. He never made you feel stupid in any way, so we were always comfortable asking Julio any kind of question. No question was stupid with Julio.

One day Julio introduced me to Javier Torres. Javier was also wheelchair bound and the head of FENEDIF, the Federation of Ecuadorians with Physical Disabilities. Together, we developed an amazing series of programs for persons with disabilities.

Our first effort focused on making tourism more accessible. With virtually no funding, USAID and FENEDIF internal staff wrote the text in Spanish and English, took the pictures and then FENEDIF printed the country's first sustainable tourism brochure.

It was just a pamphlet basically, but it identified all of the hotels and motels, parks and restaurants currently in the country that were accessible to persons with disabilities.

We didn't take anyone's word for it. We went out and toured each of the facilities, with Julio and Javier both in wheelchairs. At one site, I am pushing, I think, Julio in his wheelchair up this rutted path and I just about died. I said there is no way we can include this park in the brochure because I am going to die pushing you up this hill! Most of the sites and facilities weren't accessible, but FENEDIF gave them advice on how to make their operations more accessible. We went around to the hotels and parks and said if you make your place accessible, we are going to put you in the book next year.

So we used that first edition to encourage other businesses to make their sites accessible. The second edition of the accessible tourism guide was over 100 pages long, with great photographs. Very professional. It included hundreds of restaurants, hotels, and parks that

were now accessible. It was a remarkable response and transformed the tourism industry in Ecuador.

Q: This was done by the USAID staff?

PANEHAL: It was done with FENEDIF and USAID staff. We applied for a special grant to finance production of the second guide. But FENEDIF staff volunteered their own time to help do the first brochure. Staff at USAID and the Embassy were equally committed to working on this. You know it is not always about money, it is about commitment.

We also supported FENEDIF in a voter registration and electoral participation program. FENEDIF had already organized a program to train taxi drivers on how to treat and transport persons with disabilities. We piggy backed on that program so these taxi drivers would take persons with disabilities to their polling places. We also worked with the Supreme Electoral Council to print 24,000 braille ballots and change their regulations so persons with disabilities could have somebody accompany them into the polling booth to help them vote. Finally, USAID financed an accessibility assessment of over 1,500 polling stations.

In economic development, we also worked with FENEDIF to train 722 persons with disabilities for inclusion into the labor market; 422 found new permanent jobs by the end of FY 2007. In FY 2008, 619 found permanent jobs. This program in 2008 received a $300,000 grant to expand its job training program.

Local businesses, like Microsoft, granted FENEDIF over $100,000 to equip six 'telecenters' with IT for persons with disabilities.

USAID also worked with municipalities to finance the construction of ramps to make public buildings more accessible to persons with disabilities.

Q: That is exciting; it is probably a model for the Agency.

PANEHAL: I don't know if it is or not, but it was so very satisfying for all of us, in both the Embassy and USAID, to be a part of this transformative process.

We had inspiring role models like Julio Mantilla in USAID and Xavier Torres of FENEDIF. We also had great support from the Embassy, especially Ambassador Linda Jewell, who supported our initiative to train U.S. staff in sign language and insisted that the ambassador's residence be renovated to be accessible to persons with disabilities. Finally, we were blessed to have amazing, inspiring and dedicated local partners like FENEDIF.

I was fortunate to work with folks who were so zealous and enthusiastic about addressing issues with persons with disabilities. It wasn't just USAID; it was the whole Embassy that was involved in and wholeheartedly supported the programs.

Like anti-trafficking, tuberculosis treatment and treating thyroid cancer in Ukraine, working with persons with disabilities in Ecuador was a whole new experience for me. But they were lessons that I carried forward and revised or replicated when I later became mission director in the Dominican Republic.

Q: Wait, you learned to sign?

PANEHAL: I studied sign language for quite some time, but I wouldn't say that I could sign, it is really hard!

But some of the staff were quite good at it. My oldest daughter once told me she spoke five languages. She just naturally included sign language as one of the languages she spoke.

Q: That is exciting. You mentioned that some of the program was to deal with problems that you could see in Colombia for example. I was wondering if the mission directors in the area, Peru, Ecuador, and Colombia had opportunities to get together and talk about the regional challenges you all faced?

PANEHAL: We would have regional mission director meetings every year or every other year.

I think that the challenge for Ecuador was that it was sandwiched in between Peru and Colombia, two big coca producing counties. Ecuador doesn't really produce coca, but it is a big trafficking venue for processing of drugs. So, Colombia at the time didn't really have much of a presence on its southern border with Ecuador. And Peru and Ecuador didn't have a big presence on their contiguous border, which is where a lot of the Peru processing and production took place. So, it was hard for us to try and identify ways in which we could coordinate our programming because of this disconnect, where there was not a lot of government presence in the areas where they were producing coca and processing it in Peru and Colombia.

Q: Do I recall that sometime in recent memory Peru and Ecuador raised arms against one another?

PANEHAL: They had a soccer war in the 1980's.

Q: Oh, that long ago.. Ok. May I ask a management related question? You were a first time mission director. I know they now have a mission director training program. Did you have opportunities to do anything like that or did you just go from your job in Washington, the Infrastructure Office, directly to the field?

PANEHAL: Oh, I had been Deputy Director for the Regional Mission for Ukraine, Moldova and Belarus.

Q: Probably the best training ground.

PANEHAL: We had over 200 staff in three countries. So that was a very complicated program, so that was a good training ground for me. But I believe the Agency at that time had senior management training. I don't recall it being exclusively for mission directors, but it was for senior level employees, whether they were office directors or DAAs.

Q: So, were there some things you learned as deputy in Ukraine that you identified as priorities to do when you arrived at post? Were there any management lessons that you had in mind when you arrived as mission director?

PANEHAL: The one thing that I remember distinctly unlearning when I was in Ukraine was that it was no longer appropriate for me to be making lists of what **I** was trying to accomplish every day. My job was no longer what I was accomplishing. My job was facilitating other people accomplishing their jobs. And that was for me, who is a consummate list maker, that was honestly a hard adjustment for me.

Also in Ukraine, when five of our staff members passed away, that was really, really awful. I learned there are times we need to be emotional and express how we feel, how we hurt, that that helps all of us heal, together.

In Ukraine, going through budget cuts and personnel cuts was really stressful. But as a mission, when we started doing the strategic framework and strategic programming, it helped us look more unemotionally at the programming options we faced.

I started writing a results report in Ukraine to document, recognize and celebrate what the staff had accomplished. The results report was also widely distributed to the general public, press, donors, NGOs and Ukrainian officials to demonstrate to them that USAID assistance was producing tangible results for them.

This was a practice that I continued to promote in Ecuador as well as in the Dominican Republic. By the time I introduced the results report in Ecuador, it became much more comprehensive and professional.

This results report initiative was based upon and grew out of my experience in Nicaragua working with George Carner in doing the results framework for our electoral programming. I was convinced that it was a fundamentally sound developmental management tool. So that is why I carried it forward to Ukraine and later to Ecuador and the Dominican Republic.

I think in Ecuador it was very hard to maintain any consistent level of funding. Because of the often acrimonious statements made by President Correa about the U.S. government and our programs, our resource levels were constantly being cut. The fact that we had done strategic programming I think helped insulate the programs that we were able to continue funding and acted as a rationale for our own staff about what were the key elements in our programming we needed to preserve at all costs. I wouldn't say there was 100% consensus, because if it's your program being cut, you don't like it. But I think

there was an understanding, because we had done strategic planning, there was an understanding among our staff about what were the most important elements of our programming, the programming that needed to be preserved. Often that is a very unhappy acrimonious, stressful experience under the best of circumstances. Working with an agreement on the framework, it was less so I think.

Q: You get a little more consensus or at least understanding. That is valuable. What was the size of the Mission? How many Americans and then how many Ecuadorian staff?

PANEHAL: Well, we didn't have a lot of Americans at all. They were mostly Ecuadorians and they had been working there for a long time. So if we were smart enough, we would just follow their lead. They had so many contacts in the government, among our environmental folks in particular, so many contacts with government officials at every level and every NGO and they knew everything that was going on in the country. We relied extensively on the FSNs. The FSN staff was incredibly professional and well connected and so they were the core of our program and we only had a handful of U.S. direct hires as office chiefs basically. We had office chiefs and then we augmented with PSCs, Personal Service Contractors.

Q: I remember hearing years ago about an Ecuadorian FSN who was the program officer in the Mission—this was back in the 1970's. I believe his name might have been Maldonado. Was he still there when you were? I may have heard that he is now in the U.S.

PANEHAL: That definitely rings a bell, but a lot of my Ecuadorian and Dominican staff and Nicaraguan staff, they are all in Florida now. The thing is, several of our Ecuadorian staff ended up in Afghanistan working there as Third Country Nationals. In fact, when I went to Afghanistan, the American who was our deputy EXO in Nicaragua was out there with me. We shared the same group home.

Q: Other important things to say about Ecuador? It sounds like you had ideal relations with the Embassy and a strong partnership.

PANEHAL: We were very fortunate to have a good working relationship with the Embassy.

Q: You earlier mentioned the prominent role that the FSN staff played with the USAID Mission. Embassies are less likely to have such senior FSN staff. Was that an issue at all in Ecuador or did they also value the access your FSN staff provided.

PANEHAL: That is what was really great. I will answer your question saying I think it depends on the tone and the environment that is created by the ambassador. Under Carlos Pascual and Masha Yovanovich when I was in Ukraine, and then under Linda Jewell when I was in Ecuador, they were seasoned professionals all of them. They understood the value of foreign service nationals. And they made it clear they were both respectful of

and relying on the USAID foreign service nationals as equal partners with the Americans in designing and implementing our programs.

Q: You didn't always see it.

PANEHAL: Yeah, it didn't always work that way.

Q: OK that is an important point and again thank you. Anything else on Ecuador that we should cover?

PANEHAL: Not off the top of my head. If I come up with something else, which I probably will, I will be kicking myself saying I can't believe I had forgotten that!

Q: OK, well you can add it in your editing as well. We can always go back to include it. Since you mentioned environmental work, were you then or had the Mission earlier done work in Galapagos?

PANEHAL: Yeah, we had a huge environmental program in Ecuador, understandably. There was an Amazon component. There was a park preservation and accessibility component. Galapagos was also a big part of the environmental portfolio. Trying to preserve the glaciers that were melting was another component. The interrelationship of indigenous groups and the land they controlled and the preservation of the Amazon forest—trying to prevent illegal logging—that was also an element of the program. So, we had a huge program in the Galapagos, and had one for decades. When I was there, the program in the Galapagos was smaller than it had been in the past, but it was still a robust program and I believe we were still one of the largest donors in the Galapagos.

Q: Were we working with an American NGO, an international NGO? Was that how we were working in the Galapagos?

PANEHAL: By the time I was in Ecuador, more of our assistance in the Galapagos was being programmed through Ecuadoran non-governmental organizations or their Ministry of Environment.

Q: Which does remind me, one of USAID's priorities right now is localization. It sounds like you in Ecuador and in Ukraine made excellent use of local organizations. Was most of that direct grants to those organizations, and, if so, do you have observations on how best to do that kind of localization?

PANEHAL: In Ukraine, not all of the funding that was going to local organizations was in the form of direct grants. One of the challenges for local organizations wasn't their lack of strategic planning capacity, it wasn't their implementation capacity, it was their financial capacity. The recognition that if you were an environmental NGO, maybe you needed to hire an outside accountant in order to demonstrate that your NGO had the financial capacity to transparently manage U.S. funding. Some NGOs didn't quite understand that they had certain skill sets, but it wasn't necessarily the financial

management skill set that you need for an organization like USAID to be able to give them a direct grant.

I think that is where, based on my experience, the weak link is with many local organizations. So there were some organizations in Ukraine that we were able to fund directly, but I would say in general we still had an umbrella organization that was providing technical assistance to build up their skill set so someday they would be able to get direct grants.

In the case of Ecuador, not all of the NGOs were receiving direct grants from USAID either. But many of them had been working directly with the U.S. government for a very long time and understood our rules and regulations, which are not that easy to understand for anybody, including Americans. They had developed the skill set required for us to be able to give them direct grants.

FENEDIF, the Federation for Persons with Physical Disabilities, is a case in point. They hadn't been working with USAID before, so we were initially not able to provide them with direct funding. But by the time I left Ecuador, they had demonstrated and had built up their own skills set so we were able to give them direct grants. What was even more important for them from a financial sustainability standpoint was that because USAID had been mentoring them, other international organizations and donors recognized that through our assistance, FENEDIF had developed the financial skills that made other donors and private businesses, like Microsoft, more comfortable funding them as well. That was more important than reliance only on USAID for money.

I always tell our beneficiaries, USAID is a very unreliable donor. You may get money one year from us and the next year you don't. So, you have to put together a plan on your own as to how you're going to sustainably finance your organization, you need to diversify your funding sources. And in terms of sustainability, the best bet is to identify domestic sources of funding, because you cannot rely on external donors forever. You just can't.

Q: That is probably excellent advice to remind every single grantee that we are not the most reliable, unfortunately. How large was your program?

PANEHAL: Well our OYB was relatively small, $35 to $29 million, depending on the year, but we leveraged a lot of money.

Q: That is the point. It seems that you had significant impact with not a large program. I think that is important to document. Many people too often think you can only have impact if you have a huge budget.

PANEHAL: Honestly, I think we were able to have a bigger impact than you would imagine based on our limited budget resources because of the FSNs. Because they were so well connected and they knew where strategic interventions made the most sense in our programming. Because of their connections, we also had great access to movers and

shakers, certainly within the government at the ministerial level. But we also had a lot of access to the movers and shakers in Ecuadorian society too and I think that made a big difference in generating support for our programs in the country. So, I think you are right. I think we had a much more pronounced, developmental impact than you would have imagined based on our budgetary resources.

But in cases like our programs with persons with disabilities, where we became engaged with a new element that we hadn't considered before, we aggressively went after additional funding for that program. Because we had a very strong Ecuadorean organization as our partner, we were able to get several million dollars in just one year to finance what we wanted to do with that program.

We did the same thing in the Dominican Republic. We were working on LGBTQ issues. That program wasn't even in our budget, so we went after money from Washington, and we got it. So, like one of my ambassadors said, a good idea always finds funding.

Q: That is a valuable point. You also mentioned the critical role the FSNs played because of their access to government. You also mentioned staff work on the disability brochure. Staff seemed to be very actively engaged; they weren't just pushing paper and limiting themselves to bureaucratic responsibilities. There was a lot of seemingly unique activity.

PANEHAL: I think in large part the persons with disabilities program got underway in Ecuador because people in USAID had so much respect for our system manager, for Julio, that when we started the program everybody just felt that yeah, we need to do this.

The program wasn't even initially assigned to any particular office in the Mission. We had Julio doing it, our Systems Manager. He was the perfect person to start the program, but when it got bigger, we couldn't burden him with dual responsibilities as both our system manager and trying to manage the persons with disabilities portfolio, so at that point we shifted program management. But like I said, the program was created because staff were dedicated to the idea, people were committed to trying to do this.

Q: In many ways if every USAID mission could have one program like that you would probably have happier USAID Missions.

PANEHAL: Well we were unhappy when we got budget cuts in other areas, but we were still committed to working on that program.

Q: Rather than being happy, having high morale. If you see yourself as having impact, your morale usually goes up. Anything else on Ecuador? You were there for four years. Do you want to continue or should we stop for today or what is your preference?

PANEHAL: Why don't we stop for today.

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Q: Today is December 20, 2023, and this is interview 4 with Alexi Panehal. Alexi the last time we covered quite a bit of your time in Ecuador as mission director, but we agreed there might be a few additional thoughts you might want to add today. So, if you could do that and then we will talk about your transfer from Ecuador. But if you could start with more about all the exciting work you were doing in Ecuador.
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PANEHAL: At first we had stand alone programs for persons with disabilities. But we realized that what we really needed and wanted to do was integrate persons with disabilities issues throughout our portfolio. So we worked with all our implementing partners to identify how we could do this. They were universally enthusiastic.

Q: I hope that you got a lot of recognition for the work that you were doing on disabilities because it seems like you were a leader in the Agency on this kind of work.

PANEHAL: Well, I don't know if I was a leader in the Agency. There were other people in the Agency who were working almost full-time on persons with disabilities in Washington DC. But to give credit where credit is due, I was just following the lead of local organizations, like FENEDIF and later CONADIS in the Dominican Republic, they were the ones that were identifying areas where donors could help them ensure that persons with disabilities were more integrated into the social, academic and political life of Ecuador and the DR. They deserve the credit.

Q: OK, very exciting and nice to have it documented. So, you were in Ecuador for four years and it came time for you to be looking at what you were going to be doing next. You ended up going back to Washington. Was that something that you intended to do? Did you have another family vote?

PANEHAL: We had another family vote and they voted to go back, so we went back. My youngest daughter had finished her freshman year in high school in Ecuador and she was very adamant about wanting to go to high school in the United States, so we went back.

USAID/Washington, Economic Growth/Agriculture/Trade Bureau, EGAT, Office Director and Acting Deputy Assistant Administrator, 2009 – 2012

Q: And your job?

PANEHAL: I was with EGAT bureau which then became E3—Education, Environment and Economic Growth. Initially I was Director of the Infrastructure and Energy Office but then I was morphed into an Acting DAA.

Q: Could you talk about the structure of that Bureau because it had a very broad mandate. It was equally broad I believe even after it became E3.

PANEHAL: Yes it had a remarkably broad portfolio. As Acting DAA, I had ten technical offices I was working with and supervised. They ranged from global climate change to biodiversity to education to gender to infrastructure.

Fortunately, I had a very talented staff in Washington, because I had a very steep learning curve. But I tried to keep up with them. We were in the process at that time of developing long-term strategies for all of these areas. David Barth was the head of the education office and we put together an education strategy. We put together a global climate change strategy which we hadn't done before, and we had a lot of discussions with State about that. Then of course a big part of my time was devoted to the joint State/USAID Gender Equality and Female Empowerment Strategy, developing USAID's internal gender policy, and writing Mission Orders to ensure that gender equality was incorporated into USAID's programming. I also was the chair for USAID and the co-chair with State for the Quadrennial Development Review and Response (QDDR) for gender issues, so a lot of time was devoted to that process.

We also had the Haiti earthquake in 2010. I was asked to chair the Agency's Haiti Shelter and Infrastructure Task Force.

Q: I was just going to say we should probably take some of these in pieces. Why don't we start in Haiti? You got there when?

PANEHAL: I joined the E3 Bureau in 2009. The Haiti earthquake was January 12, 2010.

Q: How were you involved? I know there were a number of structures put in place to respond to the earthquake. How do you fit into this because I have interviewed a number of people who were different pieces of this puzzle.

PANEHAL: Right, so I was on the Haiti Task Force for E3. We were responsible for the shelter, engineering, infrastructure and energy issues related to the earthquake. I was asked to work with the Mission and try to put together a shelter strategy for Haiti.

Also, because we were in E3, and a repository for a lot of the entire Agency's technical expertise, we identified all of the people in the Agency who could help the Haiti Mission to respond to the earthquake. We were the focal point for putting together a roster of people that we could call on to go down to Haiti and help.

We were also inundated with offers of help and donations from probably thousands of organizations and individuals in the U.S. and elsewhere. Our Task Force tried to match needs, as identified by the Mission, with offers of help, and then get it down to Haiti on U.S. military transport. A lot of the offers of help, while well meaning, were not appropriate to the situation, so we devoted considerable time to diplomatically thanking, but declining their offers to help.

Q: Were you then more involved with the longer-term earthquake recovery rather than the emergency relief part? I believe a longer-term strategy had been put in place at some point with Dave Eckerson and others participating.

PANEHAL: Yeah. Well, we were working in infrastructure and shelter as part of that equation. And feeding into the broader strategy that Carleen Dei, the Haiti mission director, and the Mission were trying to put together down there. Carlene was a former Office of Housing and Urban Development Officer, so we shared the same perspective on many of the shelter and infrastructure issues that arose post-earthquake.

We were asked to bring a team to Haiti very shortly after the earthquake. We put together a USAID A+ team to work on shelter and infrastructure issues. They were the best housing, shelter, community development and infrastructure experts in the world. Most of them were retired USAID senior managers.

They saw not just the mechanics of how you rebuild housing, but how you rebuild the communities and the social networks that were also destroyed as a result of the earthquake. So, we were also working on those kinds of issues.

But there were a lot of preliminary issues you had to deal with even before you could talk about providing temporary shelter or permanent shelter. Issues like debris removal. We had to clear the streets and neighborhoods of tons of debris before we could find ways to offer even temporary shelter.

Then of course there were a lot of issues with gangs and criminal organizations in these poor neighborhoods we were trying to help. When I was down there working in these neighborhoods, we understood that the gangs had granted donors permission to work in their 'hoods' to provide relief and recovery and that we would not be harassed by the gangs. But we sensed they were observing us and it was apparent that many of the residents lived in fear of them.

So, we had to iron out some of these preliminary issues, clearing the streets, debris removal, providing emergency food and water, and gaining local gang acquiescence to working in their 'hood' before we could even begin to tackle the temporary shelter and mid to longer term housing and infrastructure needs of earthquake victims.

All of this work was closely coordinated with the Mission and local community leaders, in regards to both temporary and permanent shelter solutions. One thing we actively protested and tried to prevent was ANY attempt by authorities to move residents out of their existing inner urban communities into areas on the outskirts of towns. Moving them would have torn apart the social networks that kept these poor communities still viable places to live and work.

Since the Mission was working in disaster mode, I was tasked to draft a shelter strategy for them. The draft was completed and cleared by the Mission in the Spring of 2010. But it wasn't until 2011 that we got the shelter strategy approved Agency-wide. By that time there were a lot of players involved. They had assumed a pretty prominent role in the planning process and there were differences of opinion between various institutions about what was appropriate.

Q: Could you describe any of those differences to give an idea of what kinds of issues arise in those circumstances.

PANEHAL: Well, the shelter folks in USAID, because we wanted to help the people recreate their community network, advocated for trying to find a way for them to return to the neighborhoods where they lived before the earthquake.

In some cases, it wasn't possible but, in most cases, we tried to move heaven and earth to get them back to their original communities and the social networks that helped support them.

There were differences of opinion with some of the U.S. organizations and State Department officials that were involved. State did hire a Korean firm to build housing in areas where the Haitians had not necessarily lived prior to the earthquakes. So, it was challenging.

Another controversial issue that arose within USAID was related to a damaged bridge in Port-au-Prince. I distinctly remember one of our engineers, when he did his assessment of whether the existing infrastructure was still viable, specifically this bridge that connected the neighborhood where a lot of Expats lived to where all their offices were, he was absolutely insistent that this bridge was going to collapse and ought to be closed. There was a lot of tension because if you closed that bridge, there wasn't an alternate route for most of the expats to get to work. Those kinds of issues we had to grapple with with the Mission and the Embassy. There was a lot of resistance to closing that bridge.

Q: Did it get repaired?

PANEHAL: After much discussion, they agreed to close the bridge. Eventually, the argument that won the day was our engineer insisting USAID was going to have a huge liability if we allowed people to continue to go across that bridge and it collapsed when we knew it was unsafe. So, he finally convinced the powers that be to close the bridge. They quickly rebuilt it. That is not the first time our engineers had to grapple with those kinds of issues. That happened in at least one African country also.

Q: Just a question since you mentioned debris removal. That was obviously quite early on. Were you working then with the OFDA people and the DART teams?

PANEHAL: Yeah, we were all working together. In fact, they had tents set up on the Embassy compound because there wasn't enough housing that was livable or suitable for all the folks there on TDY. So we were living on the Embassy compound in tents or off site in group homes. So that kind of fosters a lot of cooperation because you are with people 24/7.

But all of it was very challenging. Carlene Dei, the mission director, had just gotten to post, I think it was the day before the earthquake. So, you have heard her story. Tons of

people coming through, it was a very challenging environment for them to be working through and very stressful.

Q: There were lots of different people assigned to play various roles, including several whom I have interviewed---Chris Milligan, Paul Weisenfeld, and Phil Gary. Also, Lew Lucke. I still don't completely understand the organizational structure; also the State Department was heavily involved as well. Given your time at the NDU, the National Defense University did they have you living in a tent?

PANEHAL: We were first in a group home, and I think the second time I went down there I was in a tent. It didn't matter.

Q: So that was early on in your tour.

PANEHAL: That was 2010.

Q: This was right after Raj Shah had become USAID Administrator as well, so there were a lot of new people.

PANEHAL: The other issue people had to deal with was trying to coordinate all the donations especially the private sector in the United States was offering. Sifting through all of that and trying to figure out what was appropriate and if it was appropriate how do you get it down there and coordinating with the U.S. military because there were hundreds of organizations in the U.S. that were genuinely moved by what had happened and wanted to do something. Usually, it was a donation in kind, which made it quite challenging for us to figure out what was needed, when it was needed, and then how to get it down there.

Q: So that was obviously an important part of your work in E3. You also mentioned the QDDR (Quadrennial Development and Diplomacy Review). That must have started fairly soon after you got to your new job?

PANEHAL: Yeah, we developed the USAID internal policy in 2012.

Q: USAID policy on what?

PANEHAL: Gender Equality and Female Empowerment. When we started out, we did gender revisions to the ADS in 2009. So under my DAA hat, we also had the Gender Office. In conjunction with that responsibility, we modified the ADS, then developed USAIDs gender policy, and then we started working with State on these issues through the QDDR.

Q: OK so talk about what you did first on gender and then morph into QDDR. Sorry.

PANEHAL: OK so in 2009 USAID revised its ADS to update it to incorporate gender concerns. USAID's policy was that gender should be integrated into everything we do. We were not going to stovepipe gender issues. So that was in 2009.

So we had an internal PTT, policy task team within USAID. Karen Grown and I were the co-chairs of that effort. We organized a team composed of representatives from all the technical offices and technical organizations within USAID, representatives from each of the regional bureaus, and representatives from several field Missions.

So that group worked through what the USAID policy on gender would say. We first did the policy on gender equality and female empowerment. That was done in March of 2012. Then we drafted the Mission Order to implement the gender policy in 2013.The work on the QDDR with the State was kind of simultaneous with all of this.

Q: Were there any tough issues that had to be debated? Or was it relatively straightforward in trying to identify the priorities and how it would all work?

PANEHAL: I don't recall off the top of my head any key issues that were necessarily problematic to the Agency. But one of the things that the PTT insisted on was first, gender had to be integrated into everything we do. Not only were we going to do the policy, but we were going to ask field Missions to write and adopt a Mission Order that required the missions to incorporate gender into their programming. We knew this had to trickle down to the field or it would be meaningless. We wanted to make sure it took root. So, we were insistent that we develop and the Agency adopt Mission Orders to integrate gender into their programming.

That was where there was some resistance by some Missions. So, we did a lot of work with the Missions, sending out technical assistance teams to the field to help them develop their Mission Order. Then after the Mission Order was issued, to help them formulate how to incorporate gender into their programming. We also provided a lot of mentoring to the Missions, analyzing their portfolios and programming. That followed along with a lot of training for incoming staff and retraining for existing staff. We didn't want to just write a policy that would sit on the shelf.

Q: So, you were in E3. You mentioned Karen Grown? Was she in the policy bureau?

PANEHAL: Yes.

Q: So, then this kind of filtered in with the QDDR work dealing with gender?

PANEHAL: For the QDDR. I was the USAID rep for gender on the QDDR. Then there was a State person, Ann-Marie Slaughter. We co-chaired the QDDR gender review.

Q: Did this result in the creation of the ambassadorial rank position that Melanne Verveer was in, or did that position already exist?

PANEHAL: It already existed.

Q: So, what did the QDDR do then?

PANEHAL: Well, our objective, our goal was to ensure that institutionally at least between State and USAID there was consistency in the policies that we adopted relating to gender equality and female empowerment. So that was the first goal. And then the second was to make sure that since USAID was ready to move forward to integrate gender into our Mission Orders and implement it in our programming, that State, through the QDDR, was also moving in that same direction.

Q: Again, were there any difficult issues with State on this? I know that at that point in time they had a strong commitment to the issue.

PANEHAL: In our coterie in the gender world, I don't recall us having a lot of issues like we had with USAID when you got into implementing and changing the way we do business, then there was resistance.

Q: Was Melanne Verveer involved in any of this? Or was she above that?

PANEHAL: She was above that. She wasn't the co-chair of the QDDR, but we wanted to make sure she was fully briefed on what was going on.

Q: You said that USAID began to redo its strategy in 2009. I have also interviewed Paula Goddard who was in the first women in development (WID) office in USAID; the first WID strategy was approved when John Bolton was the head of the USAID Policy Bureau. She thought that was the last strategy paper until this new one was done, is that correct?

PANEHAL: That is my understanding.

Q: You were revising something that had been approved way back in the early to mid-1980's.

PANEHAL: Yeah, I think it was 30 years ago.

Q: Most policies in USAID do not last that long.

PANEHAL: Then we also did an education strategy. David Barth had the lead on that and I was trying to cover his back. At the time, education programs within USAID covered the gamut. Some could argue that made sense because you were trying to be responsive. But from an Agency perspective, there were certain trends I think that they were seeing worldwide that they felt the education programs should focus on.

David came to the conclusion that we should be investing a lot more in primary education. Not just David, but a lot of development experts agreed with him. So we wanted the strategy to focus more on primary education. We reached a consensus that that

was the way to go. And we also incorporated into the education strategy the need to be inclusive and include kids with disabilities, not just have them in separate schools like a school for the blind and a school for the deaf. Which was the case in many countries.

So that strategy also had its challenges getting approved in the Agency because many Missions had existing programs that they would have to jettison. Others would have to revamp them. That meant that existing counterparts and non-governmental organizations that had been working—perhaps in vocational education or high school or focusing a lot on university training—those programs would be cut. And because we were looking at reduced resource levels, it was challenging to convince some to concentrate and focus, that that was the way to go.

Q: Also, within primary education, did you want to see more focus on literacy?

PANEHAL: That was another debate, because many of USAID's programs, including several that I worked with, focused on math and reading. When resources became scarcer, there was not a directive, but an understanding that you may not have funding to do both, but which one was more important? The USAID education staff recommended focusing on reading, because that was the most fundamental skill to acquire in order to learn other skills.

Q: Was some of this also driven by wanting to show and track results? I believe there was a lot of emphasis on tracking results at this time.

PANEHAL: Yeah, back to finding what the indicators were. And performance monitoring.

Q: I am sure that was very challenging. I think during this period at some point USAID also did a strategy on or a new policy related to youth. Were you all involved with that?

PANEHAL: That is right, I forgot about that. Oh my gosh. That was interesting because we didn't have a policy on youth before, but there were lots of organizations, like the International Youth Foundation, that we were funding. There were lots of organizations that had, quite frankly, a lot more experience than USAID did in designing programs specifically targeting youth.

So, I think we really benefited from relying on the expertise of some of our implementing partners but other non-governmental organizations or international organizations that we weren't partnering with, had a lot of experience. But again, what did we want to focus on about youth? Education? Crime? Drugs? At risk youth? So, trying to define what elements in the youth policy we were going to focus on generated a lot of protracted discussions.

Q: And a lot of angst I assume.

PANEHAL: Yeah.

Q: That reminds me, in developing new policies and strategies, can you talk a little bit how you brought expertise from outside into the discussion.

PANEHAL: It wasn't just me it was other folks, but I was part of the discussion.

Q: I was wondering if you could talk more generically about the consultative process with external parties in doing a new policy paper or strategy paper. Any thoughts on how that is done?

PANEHAL: Well, when I was in EGAT/E3, it was a period when we were developing strategies across multiple sectors, so there were certain approaches that I think EGAT/E3 adopted and which the relevant DAA and AA kind of expected if not insisted on.

One was ensuring that we were soliciting input from folks outside the Agency. The challenge for us was, given that outside organizations have their own experience, expertise and focus, their focus didn't always conform to a decision that was made within USAID on where to concentrate our resources. So, you know, they had their own agenda, and their day in court, as my mother would say, but we didn't always agree.

Q: Right but you heard people out.

PANEHAL: We heard them out, but they still expressed their displeasure. You had to deal with that too. I would say that particularly at that time in E3 there was a lot of fermentation going on not just in E3 but in the Agency because we were trying to concentrate and focus, but at the same time, we were also reevaluating what we had accomplished and what our resource allocation might be in the future. Scarce resources were in many ways dictating how broad these strategies could be. So, it was very stressful, it was exhausting, but it was also very exciting.

Q: It was the period when Raj Shah was the USAID Administrator. There were a number of new initiatives. Were you involved at all with any of the new initiatives, the efforts would certainly include the Food Security initiative. There was the creation of the innovation lab. I Think there were multiple efforts.

PANEHAL: There was Power Africa too.

Q: Power Africa too.

PANEHAL: I was tangentially involved in some of them but not directly.

Q: A question since you were at a central technical bureau. Throughout USAID's history, there have been debates about the positioning of technical staff within the Agency, whether in central technical bureaus or regional bureaus. I am wondering if that debate was going on during the period you were there. Even if not, do you have any thoughts on

the generic subject of the positioning of staff? Any particularly interesting issues during the period you were there?

PANEHAL: I think EGAT/E3 has always had to justify its existence. We recognized that. So how do we make ourselves relevant to the implementation of programs at the Mission level? I think the first thing was we are not trying to interfere with the Missions implementing their programs. They are the primary vehicle for USAID getting its job done. Not a technical bureau. So, we weren't necessarily trying to squirrel away money or take money from the Missions, we tried to put an end to that argument.

Then we had to address the question, So what is our value added? Our value added comes in part from recruiting talent, filtering the talent, training the talent, getting the talent assigned to where they are most needed. Not necessarily where they are the most wanted but where they are the most needed. So that was one stream of program assistance to the Missions.

The second I think was ensuring that we had contracting documents that facilitated the ability of the Mission to get contractors out there to do the work when they were needed. So, all of the IQCs (Indefinite Quantity Contracts) and every derivation of all the acronyms we used for contracting, that was also a key role for a central technical bureau like EGAT/E3.

Our third value added I think was harnessing the talent across the Agency, both from the field and in Washington, to try and develop these sectoral strategies that would help the Agency and the Mission identify what were the key constraints to development globally and then, based on that strategy, we would provide technical assistance from Washington to the Mission. I think the quality and responsive timing of our technical assistance when they asked for help is where we built loyalty to the existence of a central technical bureau like EGAT/E3.

Q: That is a good description of the mission of a technical bureau. Were there other things to cover? You've talked about Haiti, the gender policy, and QDDR. Were there other things that were particularly critical during that period that you were involved with?

PANEHAL: I wouldn't put them at the critical level, but we did promote the creation of public private partnerships that worked globally. We did one with the Lions Club. We did another one called Reading for All where the Missions could apply for additional resources through a central mechanism that we had established. So that was another way we were trying to be responsive to non-governmental organizations based in the U.S. that were interested in doing a partnership with us and providing some of their own resources to do it.

Q: Were you the main technical support for public private partnerships at that point in time?

PANEHAL: I wouldn't say we were the main ones because we were working in the sectors where I was managing our programs. There were other bureaus that also had public private partnerships and some of the Missions had their own partnerships. We didn't have a stranglehold on that, but we were the only Bureau that could offer it worldwide.

Q: And then obviously you drew upon those experiences with Haiti. Having to monitor the Haiti contributions as well. In talking about your experiences in EGAT, it seems that Haiti was a major focus of your work. I am wondering if you had any final thoughts about that effort before we leave your EGAT/E3 experience.

PANEHAL: I think one of the saddest takeaways I have from my very brief exposure to working in Haiti, is that it put me in contact with an awful lot of people who had devoted a significant part of their career trying to help Haiti. These are people who I have a tremendous amount of respect for; they are some of the best development professionals in our Agency.

Every one of them came away from their experience working in Haiti basically saying Haiti is a basket case. From a development perspective they could not find a way to help Haiti get on a sustainable development path. None of them. It is just really sad because I think we approach our job thinking that if we have the right elements in our portfolio, if we listen carefully enough to our beneficiaries in identifying their needs, if we find the right way to approach a problem, that it is solvable. But people who worked In Haiti basically came away from that experience saying that in Haiti they didn't think it was solvable.

Q: Right; that is a country that probably needs some serious case studies done about what happened there over the generations, including its experience with France. It is not a recent issue.

PANEHAL: Did you see in the paper they were repaying reparations to France for years.

Q: Like they could afford to pay reparations. So, you were in EGAT for two almost three years.

PANEHAL: Three years.

Q: Did you then actively put your hat in the ring for mission director positions or did people approach you and say Alexi we have a job we would really love you to go to so would you please consider it? And then you made the decision to go back overseas.

PANEHAL: The family made a conscious decision that we were not going to go back overseas until my youngest daughter finished high school. That is why 2012 was the first year I could go back overseas.

At that point, I had thought I could go anywhere in the world. My one kid was going to college . My other one was getting out of college. I am an empty nester, and I could go anywhere.

But then a very close friend of mine in USAID, who had a son who went to college when they were overseas, told me I should still stay close to home when the kids are in college. She said they will need you nearby. You need to be able to get home quickly. You need to be able to be at events with and for them.

That really struck home for me. I was putting my hat in the ring, but because of my friend's guidance and advice, I was really only looking for a mission director position geographically close to the United States.

The other factor was personal, and maybe something we don't often talk about. But my Mom suffered from Alzheimer's for many years. My Dad took care of her in their home for 14 years. Two years after I was posted to Ukraine, I got a call telling me that my Mom was dying. My oldest daughter and I flew home immediately, but it takes a long time to fly to Cleveland from Kyiv. We got there on a Thursday night and my Mom died Friday morning. I felt terrible that I wasn't closer to home to help my Dad and spend more time with my Mom before she passed. So that was another reason why, with my Dad getting up in years, I wanted to be close to home.

When I was posted to the DR, I was able to see my Dad more frequently. That meant a lot to me, because I didn't think I had managed it well with my Mom. It turned out my Dad died unexpectedly in 2015, while I was in the DR, but being that close to the U.S., I was able to get home in a couple hours.

USAID/Dominican Republic (DR), Mission Director, 2012 - 2016

Q: Those are important considerations and family is obviously critically important. So, you go off to be mission director in the Dominican Republic. Tell us a little bit about the program there, the size of the budget and mission or any other details.

PANEHAL: So, the Mission was relatively small. And in terms of both staff and the budget, one of the things we were focusing on, like we did in Ecuador, was leveraging other people's resources. We started the development of a new strategy. The new strategy went from 2014 to 2018.

We minimized the number of strategic objectives, because with a limited budget it made more sense to concentrate and focus. We incorporated inclusion of vulnerable groups into all of our programming across the board, something I carried forward from my experience in Ecuador in particular. Also, our U.S. ambassador was gay, so when we talked about vulnerable groups, we also included the LGBTQ community.

We started out, I would say sensitizing Mission staff to LGBTQ issues. There were a number of LGBTQ staff in USAID and the Embassy. They organized a chat for staff,

where the gay and lesbian staffers talked about their lives and how difficult it was for them to come out. They told us about what were many of the very bad and challenging experiences they had to go through to be where they are today. That really humanized the issue for our staff. So from there, they organized various other events where they sensitized our staff about LGBTQ issues.

Q: Was this both American and FSNs?

PANEHAL: Yes. The LGBTQ community within the Embassy included Americans and FSNs, so that was another element of our portfolio that we incorporated into our programming. Because of the confluence of interests between the ambassador, Embassy and USAID staff, we applied for additional resources to work with the LGBTIQ community in the Dominican Republic. The Dominican Republic is a very conservative, Catholic society. There were several Dominican entities that were not very pleased that we were working with the LGBTQ communities.

Q: With the staff members themselves, there were no issues. They were all on board to have this inclusive approach?

PANEHAL: I wouldn't say they were all on board initially. But I think the way the Embassy and the LGBTQ community within the Embassy and USAID sensitized them or even neutralized their opposition or made them activists in favor of trying to protect the rights of the LGBTQ community within the Embassy and within schools and in the broader society. I hadn't worked on LGBTQ issues in other countries, so this was another learning experience for me.

The other idiosyncratic Dominican characteristic was the fact that major league baseball, all of the major league baseball teams, have academies in the Dominican Republic to recruit and train Dominican young men for their teams.

It was a mutual interest of Major League Baseball, the Major League Baseball Players Association and USAID to work together on issues related to education. At first it was just limited to improving the educational component of their own academies, but then it evolved into something much bigger.

So together we developed a public private partnership that focused on education. It had three components, encouraging young girls to stay in school, dealing with domestic violence, and kids with disabilities. It was called 'Baseball Cares.'

Q: Did you meet any Dominican baseball players?

PANEHAL: Oh yes, I have pictures.

Q: Did you meet Juan Soto?

PANEHAL: No; these are the guys I was around. (Shows pictures) That is the ambassador and his husband, Bob Satawake. There is Big Papi, David Ortiz, in the middle, and there is Nelson Cruz. So these are some of the guys that were in the program with us.

One of the very first guys to come and see me when I became mission director in the DR was Pedro Martinez, a famous MLB pitcher and Hall of Famer. His wife, Carolina, headed a very active NGO that was working with girls trying to keep them in school and offer them vocational education.

There were a lot of mental health issues for those young Dominican men who aspired to be professional baseball players, and devoted their young lives to training, who did not get signed up with a baseball team. They suffered from a lot of depression because there was an expectation within the family that their son was going to get signed up and that was going to save the family financially. So there was a lot of pressure on these young guys and when they didn't get signed, it was really heartbreaking, not just for them but for the whole family.

Q: So, Pedro Martinez's wife works with those young men as well.

PANEHAL: She works with them too.

Q: They are giving back so that is good. So, any baseball fans should be lining up to go to the DR for an assignment.

PANEHAL: It was a unique experience.

Q: So, USAID has been there for a long time and has had big programs in the past and has done a lot of major work in health, private sector development, education. I think they worked with universities there and many other institutions. Did you see the legacy of that early work? Did you ever go to places and say wow this was something that USAID helped build? What was that like to be in a country where that was the case?

PANEHAL: Yes, one of the first events that I went to in the Dominican Republic, the Dominican President Danilo Medina was there. He made a point of coming up to me in the amphitheater and saying to me that the USAID programs that we had sponsored in the DR were instrumental to his country's development. I thought, whoa! We have a lot of goodwill in this country.

It is interesting because I think that in countries where USAID has been working for a significant period of time, it gives you a remarkable amount of access. We had this in Thailand too, Carol, when we were there. A large percentage of the Thai cabinet had received long term training in the U.S. That gave us incredible access.

A lot of Dominicans also had previous beneficial experiences working with USAID. That gave us a lot more entry to the movers and shakers in Dominican society. I believe there

is a case study of a 45-year summary of USAID Assistance and what it accomplished in the DR.

Q: OK is that something that is probably available at the USAID desk? Do you think it will be there?

PANEHAL: I don't know.

Q: Would the Mission website have a link to it do you think?

PANEHAL: It should. I don't want to say that it does, but I have a copy if they want it. It was done in 2006.

But again, we were in a period where they were cutting our budget in the DR. So we were looking at ways we could augment it by leveraging other people's resources for the DR.

One way was to forge partnerships. So, partnerships like Baseball Cares. There was another partnership we had with the National Gay and Lesbian Chamber of Commerce in the United States. Then we secured additional resources from a local foundation which picked up the tab for some long-term education programs. In education, when we couldn't fund our very successful math programs in public schools anymore, because of the new education strategy I had overseen, we found a private Dominican foundation to pick up that part of the program. By linking our programs to public private partnerships, we leveraged in one year an additional $6.7 million and in the next year $10 million in additional funds from the private sector for our programs.

Q: That is significant and is kind of a precursor to what the current USAID Administrator, Samantha Power, talks about, "progress beyond program." It is aimed more generally at what is going on in the country and how USAID can better integrate resources into things you think are more important.

PANEHAL: And one of the things that, again I think it is perhaps in part a reflection of USAID's legacy in the DR, was that we were able to build relationships with multiple local partners. We increased funding to our local partners from 35% in 2012 to 52.2% in 2015.

Q: Again, that is a role model within the Agency.

PANEHAL: But we were lucky that we had multiple partners that had been supported by USAID and to some degree I think this was true in other countries where we worked like in Ukraine.

When USAID began working with a local partner, it sent a signal to other donors and partners who knew that we were focusing on accounting and financial transparency when we were working with that local partner. We were focusing on corporate management, we

were focusing on credibility, a non-political approach to work. It was like if USAID was funding a local partner, it was like the Good Housekeeping seal of approval.

And in many cases, we were able to extract ourselves from providing the major portion of funding or funding for certain components of the local partners program because we were able to find other foundations or multi or international donors, or the European Bank for Reconstruction and Development (EBRD) or the World Bank; somebody else would pick up the tab. But it was all about ensuring the sustainability of the program. Because like I said before, our funding is so volatile, some years it is up, some years it is down. It depends on politics and these programs need sustained financial resources over very long periods of time in order to produce results. We were always encouraging our partners to find more and other partners that have less volatile funding than USAID.

Q: Were there ever discussions of ending the program in the DR during the period you were there? USAID periodically looks at countries and says it is time to exit as a formal mission and develop another kind of relationship. Did that happen at all in the DR while you were there?

PANEHAL: To some degree, yes, and it certainly happened in Ecuador too. When Correa came into office, he was trying to shut all our programs down. So when you are in an environment that is not conducive to doing development work or you have no support, like in Ukraine, we had a pause in all our programming because of President Kuchma. So yes, we were at risk in Ecuador and Ukraine of USAID programs being frozen or cut.

Q: So, you had two for negative reasons and one for positive reasons.

PANEHAL: Right. But in all those circumstances our mantra was always the same. Find other sources of funding. Develop a good program, and if you have a good program then you can demonstrate results. Then you are going to be able to find funding.

Q: Right and because the U.S. had worked with them, that gave them credibility and enabled them to get other resources.

PANEHAL: Precisely! We had also had a large persons with disabilities program in the DR as well. We brought the guy who was head of FENEDIF in Ecuador, Xavier Torres, to the DR. He helped the Dominican Persons with Disabilities organization, CONADIS, expand their program.

Internally, the Mission adopted a disability inclusion strategy and we wrote and adopted a Mission Order on inclusion. I hired a new staff person, Luis Duran, who focused exclusively on providing assistance to vulnerable groups. The ambassador was fully on board and very supportive of our persons with disabilities efforts. We replicated the sign language training that we had done in Ecuador in the DR for Embassy and USAID staff. One of the staff in the Consulate was able to conduct an interview with a deaf person requesting a visa totally in sign language. How cool is that!! We also replicated the election assistance and participation for persons with disabilities in the DR.

The DR is also subject to many natural disasters. To better identify where persons with disabilities lived, in 2013 USAID printed and disturbed 45,000 decals to be placed on the outside of their homes so they could be more effectively evacuated.

We also worked with the Ministry of Education to encourage them to integrate students with disabilities, who previously had been relegated to specialized schools, into the general education system.

In our education program, our local implementing partner, the Pontificia Universidad Catolica Madre y Maestra, (PUCMM), the Pontifical Catholic University of Ecuador for Mothers and Teachers, developed and adopted a new component focused on inclusive education. It focused on modifying the physical layout of existing schools and altering the construction specifications for new school construction so that the buildings were more physically accessible.

But there was also an educational/sociological angle to inclusiveness, which was changing people's attitudes about persons with disabilities. So our implementing partner began to modify the books they had already been producing for the schools for math or language classes to include kids with disabilities in their illustrations. We also financed books in braille and the production of books specifically about students with disabilities to sensitize all matriculating students to the challenges kids with disabilities had to overcome. Working in concert with CONADIS, PUCMM organized a contest every year, with a prize for the best book written specifically about kids with disabilities. The first year, the prize went to a book called *Life is Wonderful.*

We were so fortunate to have had a dedicated and talented Dominican local partner, PUCMM, and Ministry of Education staff, that fully embraced incorporating persons with disabilities into their existing education programming as well as a local disabilities organization, CONADIS, to partner with them.

PUCMM also conducted a survey of children in 55 schools and identified 553 kids with some type of learning disability. They got 10 doctors to volunteer their time and six medical clinics to substantially reduce their costs to complete 318 medical and lab exams and two surgeries for these students.

PUCMM also realized that there was a dearth of special education teachers. USAID financed training for 20 teachers. PUCMM then got a grant from a local partner to train 64 more special ed teachers at PUCMMs campus.

Q: The DR is a big tourism country as well. Do they have accessibility to tourist destinations as well?

PANEHAL: The guy we hired to help us manage our programs with vulnerable groups, Luis Duran, looked at everything we had done on accessible tourism in Ecuador. He is a young guy, so he experimented with developing an app for your cell phone that tells you

every restaurant, hotel, pool, recreation facility, or park in the country that is accessible to persons with disabilities. Working with the Dominican Consortium for Competitive Tourism (CDCT) this project was launched in 2016. He catapulted our persons with disability efforts into the 21st Century. He got an award from a major IT company for this innovation.

Q: Very good. There is a lasting contribution.

PANEHAL: Well, you know, I go back to thinking this all got started because of our systems manager in Ecuador. He connected us to Xavier Torres at FENEDIF, and we brought him to the DR. Just underscores how important human connections are to development.

Also, in Ecuador and the DR, when our five year Mission development strategy was in draft, we translated it into Spanish. We distributed the draft document to our implementing partners, host country counterparts, the media, and beneficiaries. We also hosted several public presentations to allow Dominicans the opportunity to discuss our strategy before it was finalized. In the case of the DR, once the strategy was finalized, we had it printed in Braille so that visually challenged people could read it. My staff later surprised me and, on their own initiative, bought a Braille printer for the Mission. Now the Mission can 'print' all sorts of documents in Braille.

Q: You really left a mark in two countries where you were mission director. It is important.

PANEHAL: It wasn't me; you know it was the FSNs that did it and they are the backbone and the memory. They inspired me. They are the ones who really embraced this issue and continued it.

Q: This was your second mission director job, and I am wondering when you were getting ready to go to the DR or when the plane was landing, did you ever think there were things you wanted to do differently or lessons you had learned from your first mission director position? Does one approach the second time being a mission director differently than the first time?

PANEHAL: So let me answer one aspect of your question that I have an answer to, because the rest I have to think about. Inclusion was an element of development that I felt very strongly about. It was not just persons with disabilities, but it was also about including the public in our deliberations, in our strategizing and so that is something I carried forward from Ecuador to the DR.

Q: Let me just follow up on that for a second. Did you get comments from the public when you issued that?

PANEHAL: Oh yeah. We had public meetings. We had hundreds of people at the public meetings. People were very interested in and excited about having an opportunity to comment and have input.

Q: Were you able to respond to and accommodate the input? I suspect there were some things that were suggested that you couldn't positively respond to. If so, how did you then handle that?

PANEHAL: We had a constrained budget. So, there were lots of suggestions that people had and in cases where we thought there was some developmental sense, we would reach out to them again and say hey why don't we work out a public private partnership. Why don't we see if there are companies in the DR or companies in the U.S. or non-governmental organizations or some other sources of funding and we can maybe put together a program with you guys to address that issue. So even if we didn't have the funding, we could be a catalyst for organizing folks to address the issue. So, I think in many cases that was our approach.

Q: So you were positively responding by showing your interest in the issue and trying to help come up with alternative solutions if you couldn't yourself do a program?

PANEHAL: And we did a tremendous amount of research prior to developing our strategy, so it was a strategy presentation that provided the general public with information about trends that they hadn't considered. Like trends about what was happening with at-risk youth, trends about when girls were dropping out of school and why they were dropping out of school. We had lots of data that we presented to the public about key social problems and issues that they were concerned about.

Q: OK, so you presented a lot of the analytics and therefore the basis for the choices you had made. So, it was very educational for the public as well.

PANEHAL: I think in some cases it was kind of shocking. I can say it was certainly educational for us.

Q: Did you identify the public who would be coming? How did you go about getting participation?

PANEHAL: No, we didn't select the public that was coming. Like we did in Ecuador, we organized public presentations in various cities. We would announce the meeting on the radio, in the local newspapers and through our network of implementing partners that the event was free and open to the public.

Q: So, you would do a presentation on what you were going to do and then open it up for comment. That is very exciting.

PANEHAL: It was. Yes. I mean I think we have a responsibility to involve the public in our strategy process, we're doing development to help them after all. And that is why I

was so insistent on doing results reports, because I think we have a responsibility to the community we are trying to serve to report back to them on what we have accomplished and where we have failed.

Q: You brought on the results you brought on the problems, and you report on what you plan to do and then comment. That is a very good model. Were you ever able to share this experience with other USAID officers, for example at conferences? I don't think it is that common.

PANEHAL: Really? I remember often trying to encourage other managers to do results reports because I found it a very essential management tool. For example, if we invested millions of dollars in a program and we didn't define what the results were that we were seeking to achieve, in the end after spending millions of dollars, we were only reporting on output not impact. There is something fundamentally wrong and too limiting about why we were doing it from a developmental rationale. What was the developmental rationale? Not just 3,000 people trained. It has to have some impact. But going beyond our manageable interest understandably makes people very uncomfortable. The Agency went through this too when they were asking me to accomplish something that was beyond my managerial competency. It is beyond the resources you have given me. Well, that is true, because we want you to be working with the community and other donors to accomplish this objective. It is not just about how WE are investing our resources.

Q: That is exactly the definition now of the current "progress beyond program" notion. You want to identify the progress you have achieved, and your program is only one part of it.

PANEHAL: So, I tried to get some traction with other folks with the results report, but I don't think I was very successful. I found it always a very useful management tool and I know my staff did too. But it can be a painful process, because it forces you to reevaluate what was successful and what wasn't.

Q: Beyond the results report, it was the public, the way in which you kept the public informed of what you were doing. I don't know how common that is, but perhaps you do.

PANEHAL: I don't know in this day and age if other people are doing it. We felt like it enriched our understanding of what the public saw, what the Dominicans thought, or the Ecuadorans thought about, what they perceived to be their key development problems. Maybe we couldn't always address them because of resource constraints, but it was certainly a forum where other donors were listening, so it was an opportunity for them to interpret the data, act and interact as well.

Q: So, in public sessions you would have other donors come as well?

PANEHAL: Oh yes.

Q: And private sector representatives and others?

PANEHAL: And all our implementing partners.

Q: And even government people, even those you weren't directly working with. But local government officials?

PANEHAL: Yeah, we were informing people that we knew should be interested about the event. We weren't restricting who went, it was open to the public. Anybody could come.

Q: I am assuming the security situation in the DR also facilitated this kind of public outreach work, and many places where USAID now works that would be more problematic.

PANEHAL: That is probably true. We didn't have a security issue in Ecuador either. This is not something you could probably do in Afghanistan.

Q: But there certainly are a number of countries where that kind of openness would be very valuable, I am sure.

PANEHAL: Yes, we certainly found it valuable. You know one other thing in terms of what was a new element, a new managerial element that we did in the DR, and we didn't do in other countries. We had an annual partners meeting. We got all the partners who were helping implement our development agenda in country and we had them all talk to each other about what they were doing, why they were doing it, where, how they were doing it, who they were working with, how that was going and what challenges they had experienced.

From my perspective I thought it was extremely useful because it allowed us as managers to hear from our partners common issues that they were facing, so maybe we could help alleviate those problems. But it also facilitated a tremendous amount of networking between the partners because it was not just a forum where we were talking to them, it was designed so they were talking to each other and we all listened. A lot of times the partners realized they were working in the same geographic area, but they didn't know it.

Q: Networking is probably one of the most important functions they can play. All very valuable lessons. Other aspects of your work in the Dominican Republic you would like to highlight? While you think about that I will ask you an even more difficult question. It is the other half of the island. Haiti. Obviously, they evolved very differently from one another. Did you have programs near the border with Haiti? Was that area of the country different from the rest of the country? Any observations about how these two very dissimilar countries occupy the same island.

PANEHAL: I am sure that you probably have heard that if you do a fly over of the Island of Hispaniola, you can clearly see where the border is demarcated between Haiti and the DR. The DR side of the border is green and all forest, the Haiti side is all brown and deforested.

So, we had a lot of border issues with Haiti. One big problem was illegal logging. Haitians would cross into Dominican territory and cut down trees, then burn it down for charcoal. We had one of our Dominican border guards murdered by illegal Haitian loggers. So that was, and I imagine still is, a very contentious issue between the Dominican Republic and Haiti.

The other issue is that a lot of illegal Haitians immigrants are now living in the DR. They are challenged to find jobs because they don't speak Spanish. They also don't necessarily have the requisite skills to find jobs in the local market. So, they are often accused by the Dominicans of causing a lot of the crime problems that plague the DR, like drug addiction, criminal organizations and drug cartels.

Q: Are they a transit country, the DR, primarily on the drug scene?

PANEHAL: On the drugs, yeah.

Q: Did the Embassy have a DEA program as well?

PANEHAL: Yeah, we had a big DEA program and USAID had a big at-risk youth program, trying to encourage kids to stay in school, encourage girls not to drop out and keep them all out of the drug scene.

We found that young girls, aged 12-13, typically dropped out of school at the break between eighth grade and high school. Fairly frequently, the reason they were dropping out of school was because they got pregnant. So solving the issue of girls dropping out of school had a lot of 'extracurricular' social dimensions to it.

Another interesting, and troubling, finding when we investigated at-risk youth issues was that we discovered when interviewing some of the kids in our program, that the drug cartels were recruiting kids younger than the age of 12 by offering them cell phones if they would be drug runners, or mules. They would reward these young boys for their services by giving them a cell phone. For a poor kid, a cell phone was a big status symbol, especially for the boys. So that is how they enticed them into the drug world. Then, when the boys realized they were in over their heads and wanted to get out, the cartel threatened them, saying they were going to rape their sisters and kill their mothers if they didn't continue working for the cartel.

The reason the drug cartels were recruiting kids under the age of 12, was that boys that young couldn't be prosecuted. So that is who they were targeting. So, when we were looking at our at-risk youth program, we had to make a kind of mental shift. We realized that it wasn't just the high school kids we needed to target, we needed to target boys in the fifth or sixth grade!

Q: When you develop a program like that, did you do it in collaboration with the DEA, either in terms of the research and analysis or more generally?

PANEHAL: I don't think we did our research in collaboration with them, but we certainly shared the research that we had on what was happening with at-risk youth, for example, with other elements in the Embassy that were interested in the program.

Q: More generally Embassy and interagency relationships in the Dominican Republic were what?

PANEHAL: Yeah, I was thinking about this today, Carol. I was so fortunate to have some really fabulous ambassadors who understood USAID, allowed us our autonomy, and brokered a good working relationship between the Embassy and the other U.S. government agencies. They understood USAID, our mission, and they had our back.

That was the case in the DR with Ambassador Wally Brewster. He was great to work with, he was enthusiastic, he was always available to inaugurate our projects, help us with design, help us find money, do stuff with key players in the Dominican scene that he thought might be helpful to us in either financing our program or providing moral support or otherwise to the implementation of our program. The same was true of Carlos Pasqual in Ukraine and Linda Jewell in Ecuador. I was really fortunate to have some great ambassadors to work with.

Q: Were they all career ambassadors?

PANEHAL: Well Wally was a political appointee, appointed by Obama. In fact, Biden married Wally and his husband.

Q: Had he been a Hill staffer?

PANEHAL: No, they were from Chicago. They were in real estate. But Wally was political. Carlos came from USAID, so he was career on both sides and Linda was career State.

Q: Well, idyllic situations you get yourself into.

PANEHAL: Which was very fortunate. And one of the things, I don't know if I mentioned this before, but in Ecuador Linda Jewell had a very good working relationship with the President Rafael Correa, even though he was trying to shut down USAID. I think I mentioned that.

Q: You did and how she always kept the door open for communication.

PANEHAL: And when she left Ecuador, Correa gave her the highest award for a non-Ecuadorian.

Q: That is a real testament to her diplomatic skills. Now one of the reasons you wanted to be in the DR was so you could be closer to the U.S. and closer to family and

responsibilities. But you were also then closer to Washington and USAID and the State Department. Did that create any special challenges or was that a good positive and supportive working relationship as well.

PANEHAL: I think from a geopolitical standpoint from the State Department's perspective, the Dominican Republic at the time had a president that was kind of pro American, so you didn't have the State Department folks helicoptering in because there was a problem or an issue with the DR. And Wally Brewster, the ambassador, was a political appointee and very well connected in the Obama Administration.

So, there were a whole series of folks that were acquaintances of his that would be coming down to see him and what was going on. They weren't the folks that would try to shut the program down. They were folks who were genuinely interested in what was going on. So, we were close to Washington.

I would also periodically have folks from USAID/Washington come down, but they weren't hovering over us all the time. We were in the same time zone, so that helped a lot with communications. A lot more digital communications were possible with DC because of our geographic proximity.

It wasn't like Nicaragua where everybody was breathing down our neck. I also would mention in Nicaragua we had two really great ambassadors, John Maisto and Lino Guiterrez. They were both career State Department, Latin American experts, who were very adept at managing all of these relationships with State and the Hill, thank God!

Q: You got some of the good ones. You mentioned in Nicaragua you spent a lot of time on Congressional relations as well. I don't think I asked you that on Ecuador, but even in Ecuador or the Dominican Republic was there much Congressional interest in the program, or did you deal with the Hill at all?

PANEHAL: Nothing as pressure cooker as Nicaragua. Nothing like that. In Ecuador there were probably more Congressional inquiries because Correa was perceived by folks in Washington as being anti-American.

Q: So other things about the Dominican Republic. It sounds like it was really a fun, productive and very interesting assignment.

PANEHAL: One philosophy that evolved between Ecuador and certainly the DR was that you worked hard, but you could also play hard. When we worked hard, we worked really hard, and we had all hands on deck. But I learned we also needed time to play. So we played hard too.

So the first Halloween in the DR, this was so funny. The Embassy sponsored an office decorating contest. There were two chairs that were sitting in this open area of our office. It was getting on towards Halloween. I thought to myself as I was walking past those two

chairs every day, ‘Hey, we could build a car out of those two chairs!’ Then I thought, ‘Why not build a Batmobile?’

I sent a message to all the staff, ‘How about we decorate the office a la Batman and build a Batmobile for Halloween?’ Nobody said anything. A couple of days later, four tires appeared next to the chairs. Then I draped some black cloth between the chairs and the tires. Everyday people started adding to the design. Then we decided we were going to dress up and role play Batman.

Q: For the record at least one of them is in a tuxedo. (sees photo of staff in costume)

PANEHAL: That is Jim Wright, who is now a mission director. He was my deputy. We were fortunate to have a really creative artist on our staff. Not only did we have a blast decorating and figuring out our costumes, it turned out there was quite a lot of team-building going on.

The next year the staff went all out. We had strategy meetings to decide what our Halloween theme would be. We decided on Harry Potter. We identified what characters we wanted to portray and the perfect staff to role play those characters. We ordered props. The whole Mission was decorated and all the staff were in costume.

Q: Yes, very good. There are some very good Harry Potter costumes.

PANEHAL: So of course Harry Potter was played by my environment officer.

Q: Apparently, he was Harry Potter. He looks just like him in the photograph. Now where are you?

PANEHAL: Oh, I was in there. You don’t recognize me. This is my driver.

Q: Oh, I don’t know all the Harry Potter Characters.

PANEHAL: This is me in the white.

Q: Oh, my goodness. I would not have recognized you.

PANEHAL: Then for Batman I was Poison Ivy. The one with the red hair.

Q: Well, that is a real team building exercise.

PANEHAL: It started out like, ‘let’s try this’ and then we got competitive, like we are going to win this year. So we worked really hard and it was OK to stop and play for a while and just have fun. So, at my going away party, my staff all got dressed up again. This is me obviously here and this is one of my staff who is parroting me in the way I dress. We worked really hard at our Mission, but we stood down every once in a while and just had a little fun.

Q: Absolutely there is an important message there about how to build morale and teamwork through having fun periodically.

PANEHAL: Yes, that was one of the things that I took away especially from the DR. The other lesson I learned from Ukraine, and that is, don't make assumptions about what your beneficiaries are thinking.

I took this picture. It was a great picture of an older woman with the light shining on her face and she is staring down at her land title. After years of working this same plot of land, she had just gotten her land title. I was speaking at this land titling ceremony. I went up to her afterwards and I said, 'Oh you must be so excited to finally get your land title!' She said to me, 'It is too late for me.' I thought to myself, 'Oh my God. I can't make assumptions about what our assistance means. I have to ask them. So, I kept that photo in every office I worked in after that, just to remind myself, don't presume that you know what they are thinking

Q: Those are important things to keep in mind. Those experiences that most people are tempted to forget. Forget the experience because they want to block it out because they were not right. To keep it right in front of you is a very good recommendation.

PANEHAL: I think this kind of leads into this other approach that I had, which was to be data driven. Always look to the data. A program didn't continue just because it had been ongoing for 20 years. Look at the data. What had we accomplished with the funding we invested? If it wasn't accomplishing key developmental objectives, then let's reassess whether we should continue doing it. This approach wasn't meant in any way to be punitive. It was what the data was showing us, whether we were showing results, investing in the most critical problems. If we don't have the right data, point out to us where we should be heading, then let's get the right data.

This prompted us to do a lot of public opinion polling in Nicaragua, with Mitch Seligson at Vanderbilt University in particular, to figure out what people were thinking. So yeah, data driven development strategies were one of my priorities.

That kind of naturally led me to do the results reports and use the strategies to present the data drive hypotheses that we based our strategy upon. So the strategies that we wrote became an educational tool. The data was the justification for why we were doing the development program we proposed. So we couldn't talk about the strategy without having the data. In this sense, we let the data show us what we needed to do, where the critical developmental challenges were.

In the case of Ecuador, like I mentioned before, this data-driven approach to strategy development showed us we needed to be focusing on youth being radicalized when they were much younger than we had assumed. We needed to focus on elementary school kids. Washington wouldn't give us the leeway to do that aspect of the program, but we still remained laser-focused on what the data told us.

I think the other big issue for me, and one of the most satisfying aspects for me working in development, was working with vulnerable groups. Girls, women, victims of domestic violence, at risk youth, persons with disabilities, LGBTQ communities. That was really rewarding. One of the most rewarding experiences of my career and my life.

Q: I would like to get back to the data issue for one moment because oftentimes it is difficult to find the right data. Any thoughts on how you developed that data? Then you specifically talked about public opinion questionnaires. I wonder if you would say a little bit more about that because I am not sure all USAID missions have figured out ways to do that.

PANEHAL: In Nicaragua, every two years we had Vanderbilt University do a public opinion poll about corruption because we had a big anti-corruption program underway. We were training journalists on how to investigate and report on corruption. We had Nicaraguan Congressmen drafting legislation to curb corruption, we were training police.

I think maybe I mentioned it, but in this case, the public opinion polls showed that people's perception of corruption was much higher than the actual incidence of corruption. In part that was due to the fact that reporters were reporting more on corruption, so people were thinking there was more corruption, when there actually wasn't. So that is why it is important to get the data and ask the right questions.

In Ecuador we also did public opinion polls with Vanderbilt every two years. In the DR, I remember some of the data we were getting related to at-risk youth or data we were getting related to girls' attitudes about education or people's perception about what the payoff for education was that kind of data. There were times we didn't know where we could find the data we were looking for. If we couldn't find it, our partners figured out a way to get it, because it was important for their programming too. They realized that. We just had to identify an implementing partner that had a vested interest in getting the data. And then they got the data.

Q: Did you ever find resistance from a government or other power sources within a country to doing that kind of public opinion polling. Obviously, it would be an issue in Nicaragua, but also in other countries?

PANEHAL: Yeah, I think in the case of Ukraine they would have been very suspicious if we were doing public opinion polling there. But I never sensed any resistance in the DR or Ecuador to any kind of polling we were doing.

Q: Other things on the DR that you might want to say or that I should have asked?

PANEHAL: I think the other thing that was really critical to our success, and prominent in our programming in the DR, Ecuador and Ukraine, was increased reliance on local partners to implement our programs. Developing the capacity of local partners and being able to implement our program through local partners was really a true modality for us in

the DR. That led us to finding other funding sources to support our local partners and to help them develop a more diverse funding base to give our local partners more financial stability. That was really important for us too and that is why we were emphasizing leveraging and partnerships so much in Ecuador and the DR.

Q: Yes, it is probably a principle that should be built into the USAID localization strategy, that you don't want local organizations to become dependent on USAID resources. Any time we are doing direct grants with local organizations, we ought to be keeping in mind a longer-term funding strategy that involves other resources.

PANEHAL: Maybe that should be built into the kind of technical assistance we give our organizations from the get go; that we help them identify other funding sources.

Q: Another criticism also often made about donor funding for local NGOs is that the donor diverts them from whatever their principal mission might have been and gets them to do things that we think are most important as opposed to supporting what they are already doing. Also, we often ask them to expand rapidly to do something we want them to do; then they are kind of left holding the bag at the end of the dance. I got the impression from the way you were talking that you were often supporting what they were already doing rather than asking them to expand into new things.

PANEHAL: I agree with you as it applies to the DR, where USAID had such a long history in developing these local organizations. They embraced the core concept of what they were doing. So, by the time I got there, these organizations were already respected in the donor community and in Dominican society for their expertise in their particular area. We were just operating on their margin, tweaking their existing program slightly.

The folks that were doing our education program, for example, we tweaked their program to look at safe schools, to look at the issue of violence in elementary schools. We tacked that on to their program and were trying to shift that into their regular program. We did the same thing with them in relation to incorporating persons with disabilities into their programming. We gave them some additional funding so they would recognize this as an issue they should be incorporating into their regular program, so we were tweaking them in that respect on the margin, but what we were asking them to add was always, always consistent with their overarching operation and their institutional values and culture.

Q: That is a good point. I portrayed it too black and white.

PANEHAL: But again, I think that is the case in the DR and in Ecuador, where USAID has been working for 40, 50, 60 years, and these local organizations are well established. For all intents and purposes, most of them are very well managed. So, they already have their own core competencies, competencies which we can build on. In these cases, we are tacking on to their existing programs and goals, rather than have them do something that they're neither interested in, competent to implement nor comfortable doing.

Q: Right; that's important. More on the DR?

PANEHAL: No, I think that is probably it.

Q: Thanks Alexi. Why don't we stop for today and we will reconvene next week.

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Q: Today is December 27, 2023, this is interview number 5 with Alexi Panehal. When we last spoke, you described lots of exciting work you were doing in the Dominican Republic. I don't know if there are any additional things you want to talk about. Any final thoughts you have about your years in the Dominican Republic?

PANEHAL: I guess two other observations. One is that the Mission, because of its approach to inclusion across all sectors, was recognized by the Agency in 2017 for its advancement in promoting inclusion and diversity at USAID. That recognition of our efforts was certainly a motivating factor for the staff.

The other aspect of the program that we mentioned briefly in our previous conversation was that we made a point to vet our strategy with the public prior to finalizing it. I mentioned I believe that we translated the strategy into Braille, so persons with disabilities could 'read' our strategy. This is a picture of us delivering the Braille version of our strategy document to the head of the Society for the Blind in the Dominican Republic.

Q: I honestly think that the work that you have done in both Ecuador and the Dominican Republic on inclusion is quite striking and something you should be very proud of, so I am glad they have had a chance to record it.

PANEHAL: Carol, there is one other observation that stems back to our experience, actually back to Nicaragua, where I mentioned the contrasting stranglehold that we had to try to crawl out of because we had all these existing contracts, and we were trying to modify them to respond to the effects of Hurricane Mitch. Remembering that experience, I had suggested to the senior staff in Washington that we should seriously consider allowing missions to reserve at least 10% of their budget for contingency actions, that we need to understand and accept that intrinsically we work in an unpredictable world. So why would we ever presume that we know exactly how to invest all of the resources we receive for the next five years. I mean it is just not logical. So I had suggested to senior management that they allow us this kind of flexibility a long time ago. I don't know if they ever acted on it. But I still think it is a valid point.

Q: It is a valid point, but I suspect that they did not behave accordingly. In part because I think the Agency itself has tried to convince Congress to give the Agency more flexibility and has not been very successful in doing this. So, I suspect it trickles down.

PANEHAL: An ongoing discussion.

Q: An ongoing discussion but one certainly well worth having. And good to document the need for that kind of flexibility. So, in the Dominican Republic you were there for four years. How did you go through deciding what you wanted to do next?

PANEHAL: Well, I was thinking it was partly personnel policies and partly my inclination. I think I only had a two-year extension on my tick. So that limited the positions I could bid on. I think I was close to mandatory retirement age as well, so that also circumscribed what I could do. So that all influenced what I bid on.

Q: So, what you did was to become a faculty member at the National Defense University (NDU). Which school within NDU?

National Defense University/National War College, Faculty, 2016 - 2018

PANEHAL: It was the National War College, which we affectionately called the House of Lords.

Q: And what were you teaching?

PANEHAL: I was teaching core courses, electives, and regional studies courses. All the students had to take the core courses and then they have two or three electives they can select over the one year course of their graduate studies. Then they have a regional studies course, where they have a choice from about ten countries that we have identified where we think the students would have a productive visit. They are required to research and write over the course of their year of study, either the U.S. national security strategy towards that country or a national security strategy for that country.

Q: What were the core courses you taught and what degree do the students earn?

PANEHAL: The first year, I co-taught Military Instruments of Power, the Global Context course. The second year, I was the deputy director and taught the Global Context core course and the core course Statecraft 1: Strategy Design and Implementation-A Historical Perspective. The students get a graduate level degree in national security strategy, so the program is designed to provide the students with a skill set on how to research and then how you build a national security strategy. So, it examines what has been done in the United States but then the regional studies program is designed to actually require the students to apply the skills they learned in actually analyzing how the U.S. does that to another country or vice versa.

Q: When you said that you also did regional studies, which region, because you worked in multiple regions during your career?

PANEHAL: It wasn't necessarily my choice. The university would determine what the best mix of personalities was as well as the skill set to teach various regional studies courses. So, civilians I think we're more often than not paired with U.S. military faculty.

So, the first year I did Mexico with an air force colleague of mine who was also a Spanish speaker. I arranged for the students to meet with Carlos Pascual, the former U.S. ambassador to Mexico when we were in Mexico City.

Q: That was when he was ambassador to Mexico?

PANEHAL: No, he was not ambassador to Mexico at that time, although we had a very frank and open discussion with Carlos.

Then the second year we did Ukraine. My friend and another faculty member, Colonel Ted Donnelly and I lobbied to get Ukraine added to the countries for regional studies. Once they included Ukraine, Ted and I designed and taught the course. Ted had been a foreign affairs officer in the region, spoke Russian and lived in Ukraine as well, as did I. So we both thought it was timely and appropriate for the National War College to add a regional studies course on Ukraine. This was after Russia had already invaded Donbas in 2014.

Q: That must have been in 2017 or 2018. Wasn't that when all the hearings were taking place?

PANEHAL: No, we did the course over the 2017- 2018 academic year. The telephone call between Trump and Zelensky happened in the summer of 2018. Masha was a little bit busy as U.S. ambassador to Ukraine at the time. Masha Yovanovitch had been the deputy chief of mission when I was deputy director of USAID, so we were close colleagues. Anyway, I think the Ukraine course was particularly interesting for the students because we were able to tap into a wealth of experience and expertise in Washington.

The course actually was for a full year. The first semester, the fall semester, we were teaching them the foundations of how you write a strategy, the ends, ways and means, that kind of thing. Then we offered a series of classes where we provided the students with some background information on Ukraine.

In the second semester, the students had to draft strategies and then have them critiqued. Prior to going to Ukraine, we arranged for the students to meet with the DCM of the Ukrainian embassy. And we actually got clearance from all of the American powers that be to even go and visit the Russian Embassy to hear their side of the story. We were also thrilled to get the former U.S. ambassador to Ukraine, Bill Taylor, to come to NWC and critique the students' oral presentation of their strategy.

Q: And these were strategies they were preparing as if they were Ukrainians.

PANEHAL: They had an option. It could be the Ukrainian national security strategy or the U.S. strategy towards Ukraine. Then we took the students to Ukraine for two weeks to let them ground truth their strategies by talking with Ukrainian civil and military officials, NGOs, U.S. government officials, and donors.

Q: But this was after the Russian invasion of Crimea and taking over of Crimea.

PANEHAL: It was after Donbas. After the 2014 invasion.

And when we were in Ukraine of course, we had access to their national defense university, their national security council, and high-level Ministry of Defense staff. We also talked to elected officials from their Congress. We traveled around the country too. We went north to Lviv, which is where there is a military training facility nearby and met with a lot of local officials there. Of course we had a whole range of meetings in Kyiv.

Q: You didn't go to eastern Ukraine, did you?

PANEHAL: No, we didn't go to eastern Ukraine.

Q: That probably would have been rather provocative to have done that.

PANEHAL: But one of the objectives of the program overall is to help the defense development and diplomatic sectors understand what tools are available to them, other than from the sectors they had been working in most of their careers, and how each of those sectors can contribute something to both the development of a national security strategy and implementation of it.

So, the military in the course of their careers, have had a particularly productive working relationship with USAID, mostly on disaster response, and so they came to school anxious to learn more about USAID, how it works, how you maneuver within the agency, how it is structured.

We in USAID recognize that, kind of ironically, we have a lot in common with the military in terms of operational perspective and culture. We both love working in the field. We are all about accomplishing long term objectives and doing long term strategies, and we avoid working in Washington at all costs. So despite very different missions, there is that shared space between defense, diplomacy and development, which is the focal point of the National War College's core curriculum.

Q: But it sounds like the development and defense part meshed together more easily than the diplomacy part, is that correct?

PANEHAL: From the defense sector operative's perspective, yes.

Q: OK, but obviously all very important and valid perspectives but having a more natural inclination to understand one over the other.

PANEHAL: So, I will talk a little bit about the development elective studies that the USAID folks on the faculty offered the students.

The first year we revised the development course and the second year we revamped it. The development and national security course we taught was called Fragile States, National Security and Development.

So, the first year Tom Stahl and I taught the course together. We zoomed USAID folks in from the field. For example, Chris Ward, who was instrumental in implementing the shelter and infrastructure reconstruction program in Haiti after the earthquake, zoomed in from Geneva.

The following fall of 2017, I taught the revised Fragile States course. We again zoomed in folks from the field, so I had people like Bill Frej talk about the tsunami and disaster response in Indonesia. I had Mike Harvey, the former mission director in Nigeria, talk about violent extremism.

We purposely wanted to make sure we had folks who were in the field or were intimately involved in implementing our programs talk directly to the students about their experiences. They got a first-hand, unfiltered glimpse into how the work got done

Q: Did that include USAID people who might have served earlier or currently were serving in either Afghanistan or Iraq?

PANEHAL: Yes. We had them as well.

Q: There are going to be a lot of retrospective studies particularly about Iraq and Afghanistan and what worked and what didn't work. Did you think there were valuable discussions that took place at NDU on that? Lessons learned for the next time similar work has to be done?

PANEHAL: Well, yes, but I don't want to be too optimistic about it. I was in Afghanistan for a brief period of time, and it looked promising then, but the situation obviously unraveled. It conjures up visions for me of Haiti. It's unclear to me what intellectual and organizational skills would still exist in those countries to help them rebuild, if we ever get to that point . And whether they would even want us in there to help them rebuild. So, I am more comfortable talking a little bit about Afghanistan because I am a little more familiar with it than Iraq.

Q: OK that is fair.

PANEHAL: I think there are some countries where the problems are so deeply rooted that thinking about whether past lessons learned could apply to the future sometimes strikes me as untenable.

Q: Didn't the Congress pass a Fragility Act? I wonder whether it was while you were at NDU. Were you aware of any legislation being prepared?

PANEHAL: No, I am going to research it.

So that kind of touches on the regional courses and electives but of course we are there, the civilians are there, to kind of help the military understand our roles and functions, our culture and helping to identify ways we can work more collaboratively towards common objectives. So, in a sense that is the reason why we, the USAID faculty, were there. The student body is about 80% military, 10% civilian and 10% international students.

Q: By the way you mentioned Ukraine, were there Ukrainian students there while you were there?

PANEHAL: There were several.

Q: Are any of the people that you were working on the Ukraine part of the program today involved with Ukraine?

PANEHAL: Yes, my course co-director is a U.S. retired army colonel who served in Ukraine. He is still actively involved in his retirement working as a consultant on Ukraine issues and training folks on the Russian perspective and Russian strategic thinking.

One of our students was instrumental in preventing the initial Russian advance on Donbas in 2022. There was an artillery unit that he raced to get into operation. He is now in the upper echelon of the Ministry of Defense.

Q: Ukrainian students.

PANEHAL: Yeah, a Ukrainian student.

Q: Just so there is no confusion.

PANEHAL: Another one of our students, an American, is with EUCOM. After the 2022 invasion, she was in charge of working with Ukrainians on their future force development.

Q: So that work you were doing was very prescient?

PANEHAL: I won't say we were prescient, but my colleague and I were certain when we lobbied to get the course included in regional studies that it would be timely. We just didn't know how timely it was going to be. The students we mentioned, Ukrainian and American, were in other courses that we taught.

Q: I assume that this training and the inter-agency elements of it are really important for working in today's world.

PANEHAL: I think those contacts are kept alive by the students as they reach out military to state, military to USAID, after they finish their course of study at NDU.

Q: Certainly, everyone I know speaks glowingly about their time at NDU either as faculty or students.

PANEHAL: And the faculty. I mean I am still in touch with at least twenty of my students to keep tabs on what they are up to and regularly keep in touch with several faculty members. Whenever I am in DC, I head to NWC to catch up with them

Q: That is good. And there were USAID students there as well.

PANEHAL: Yes. And so, the USAID faculty were faculty advisors mentoring the USAID students. We were also mentoring one international student each year. That was very interesting and fun for me.

But getting back to the core of what we were training the students on, it was a very academically rigorous program, strategic thinking, the constructs of a strategy, the application of or analysis of it through history, good strategy, bad strategy. A review of the global context of where all of the current conflicts and potential conflicts were simmering, and then that all leads to requiring the students to apply all of that knowledge to the development of their strategy.

Q: An important component of this is looking at the past, looking at history. Which is interesting as we spoke a little bit before the recording started. USAID doesn't always look back at history. I wonder if you can see differences on how the military operates and how USAID operates.

PANEHAL: Yeah, I think The military may be a bit more historically oriented than USAID because we are a younger agency, created in 1962. The military has been around since 1775.

Q: And they are still studying Gettysburg.

PANEHAL: We certainly do. But I think that in general there is a stronger orientation on the part of the military to believe that there are lessons to be extracted and to be applied or avoided based on previous experience. I think we lack that embrace of our history.

One of the courses that I taught both years was an historical perspective that covered the Revolutionary War to the Vietnam War. That class met four times a week and I think there were 34 classes. For every one hour of class that you taught at the National War College, on average you invested ten hours in preparation.

Q: That included a lot of reading I assume.

PANEHAL: Yes, certainly a lot of reading and I would also prepare power points and sometimes timelines for the students. I would also pull out little video vignettes from Stephen Colbert or John Oliver, relevant to the topic we were discussing that day, but just to lighten things up a little bit and have a good laugh.

But all the classes were taught in the Socratic method, so it was all about using your knowledge of the subject matter, your students, and guiding their discussion. At the end, you were expected to collectively reach some general conclusions about what worked and what didn't work and why it didn't work. That was really important. So that was challenging.

The other course that I taught for both years was called The Global Context. That was a review of hot spots around the world, China, North Korea, the Middle East, Venezuela and areas or potential areas of conflict or hot topics, like nuclear proliferation and the national security threats posed by global climate change.

Q: It all sounds very exciting and very fulfilling. To spend the time thinking and learning and engaged in dialog and helping others learn.

PANEHAL: Yes, and we learned a lot from the students too. I mean they are just super smart and very engaged and intellectually challenging and hardworking, so it is a great environment in which to think. I think for all of them, all of the students whether they are civilian or military, it was an environment where you were comfortable proposing ideas that maybe within your own environment, your working environment, might not be considered or fully considered. But in that academic environment, we were challenging the students to come up with different kinds of ideas and float them with their counterparts and friends and colleagues and see what kind of reactions they got and what kinds of issues they raised.

The College worked very hard to see that there was always a mix of civilians and military, always. They set up these student committees, I think there were only ten people in each committee. I think the committees reflected the broad range of military services as well as the civilians. The classes were also perfectly mixed so that there was a balance of international students in every class with civilians and military. That was the whole point of this course of study, to make sure that we were creating an environment where the students could exchange ideas. We used the structure of these courses as a framework so they could have a sense that these were guided discussions, within the structure of the overarching course framework.

Q: Did you ever see a time when people had such different perspectives in the classroom that they couldn't come to an agreement? Or couldn't really understand the other perspective?

PANEHAL: I can't recall any specific incident like that, so nothing really sticks out in my mind, but it is entirely plausible that that kind of thing occurred, But everybody is very respectful. So, they would agree to disagree, respectfully.

Q: Again, that all sounds very encouraging. I assume you strongly support USAID investing staff and faculty at NDU.

PANEHAL: Absolutely.

Q: You did this for two years and then you mentioned that you were having to face retirement age from the Foreign Service.

PANEHAL: Right.

Q: Is that what finally prompted you to retire?

PANEHAL: Yeah, it was a combination of factors. I think my tic (time in class) was ready to expire again. And I was reaching retirement age, so yeah it was time to move on.

Q: So, you retired in 2018.

PANEHAL: 2018. September. I finished the academic year and closed that out and then retired in September of 2018.

Q: Did you do the retirement course?

PANEHAL: Yes.

Retirement from USAID, 2018

Q: Where did you decide to move to?

PANEHAL: So, I live on an island in Lake Erie. I am closer to Canada than the United States geographically now. My Dad bought his lot in Kelley's Island in 1952 and my sister and I bought the house or cottage behind him in 2001. Then my sister opted out in 2006 and so that is where I decided to move.

I had thought I would only stay here for one winter perhaps. Maybe I wouldn't like it because the main access to the island is a ferry, and the ferry stops running in the wintertime. So, the only way you can get off in the winter is to fly off. Most people just hunker down and we don't go off island in the wintertime. I figured I would only last one winter. I wanted to live there for one winter to see what it is like.

Q: For the record you should mention you wrote a book about your first winter.

PANEHAL: Yes. I wrote the book because around October, 2014 the person who was operating our transfer station, when I was closing my place and taking my last load of garbage to the dump, I said to her, "Wow it is really going to be quiet around here when we're gone." She knew me and knew that I had been coming to the island since, like, before I was born. But she said to me, "I can't wait until you people leave." I thought, 'you people'? I am going to write a book about 'you people.' So anyway, that was my inspiration for writing the book. But it was fun. So, I wrote the book, and I loved staying on the island, so now I live here year round.

Q: What is the population of the island?

PANEHAL: In the winter or in the summer?

Q: Both.

PANEHAL: So, when I wrote the book, I did an informal census. I did 14 drafts trying to figure out how many people were on the island. The number we came up with was 154.

When COVID hit, more people decided to move to the island, people who had summer homes, so we went to about 170.

Since then, there has been a lot of construction on the island, so we are probably hovering around 170 still.

In the summer I would guess there are 3-5,000 people, lots of day trippers. My Dad used to complain way back in the 60's, that there were so many people on the island it was going to sink. He is turning over in his grave, and he and my Mom are buried up here, if they could see how many people are coming up to the island now.

Q: It certainly sounds like an idyllic place.

PANEHAL: We don't lock our houses; we don't lock our cars. There is an anecdote, a little story in the book, about a friend of mine who left her keys in the car and somebody took her car by accident. She got her car back. Some people told her, you had better not leave your keys in the car anymore. She said, I have to leave my keys in the car, somebody may need it! I mean people will leave their cars running when shopping around downtown, we have no worries.

Q: OK so it is a different world.

PANEHAL: Yes, and very conservative.

Q: And I know you have been doing other kinds of things in your retirement. You are doing other writing.

PANEHAL: Yeah, I am. I am about 95 percent done with my second book. It was actually inspired by my experiences and colleagues of mine in the National War College.

In the spring of 2017, with a colleague and friend, we jointly taught a course on George Washington's leadership and national security. Then the following fall, I worked with another colleague of mine in designing and executing a Gettysburg Staff Ride. To prepare for that, I had to do a lot of research about Grant. So, I was struck by the similarities I saw between Washington and Grant. That made me start to think about what other U.S. army generals became president. So, this book is about four U.S. army career generals

that became president and whether the leadership skills they acquired in the military helped or hindered them when they became president.

Q: And the four generals are?

PANEHAL: Washington, Jackson, Zachary Taylor, and Grant. I thought about Eisenhower and people say what about Eisenhower, but the military training and military technology changed so dramatically from the 18th and 19th century to the 20th century. I did look into it, but I felt it was a bridge too far to try and include Eisenhower in this.

Q: Without giving away the bottom line of the book because we want a lot of people to buy the book, are there any general lessons that you could share?

PANEHAL: There are some characteristics that are shared among all the four of them, which I found was interesting. They all were raised or exposed early in their life to the frontier. So, the frontier deeply affected their strategic vision and thinking about the United States.

Even though they were frontier men, they had a much broader perspective of what the United States could be. Not just what it was, but what it could be.

I think with Washington there were differences as well. Washington was the only one that had experience with congressional relationships prior to becoming president and I think that affected the way he managed political issues as president. So, you mentioned, Carol, that LBJ would bring in a group of people who had a range of views about particular issues. Lincoln was known to do the same. Washington constructed his cabinet in just that manner. Sometimes, for example, when he was dealing with the Neutrality Act, he would allow the issue to fester in his cabinet for a while until he felt there was a growing consensus about what to do. Washington wasn't necessarily always as decisive as some people hoped he would be, both as a military commander and as a president, because his management style was to build consensus around controversial issues, and he recognized that sometimes he would just have to let things lie for a while.

Q: So, he was much more politically oriented.

PANEHAL: Yeah, whereas Jackson was reckless, hot tempered, decisive in both his approach to military engagements as well as his presidency. So in his case, Jackson's personality just dominated his career and everything he did. It didn't change over time; he was just as reckless and hot tempered and picking fights all the time as president as he was when he was a military commander. He was also insubordinate.

That is the other trait that is interesting. All four of them, to varying degrees, were insubordinate. At times they ignored orders or pretended they hadn't received telegrams.

The one characteristic where I think, from the military experience to the presidential, that they all shared was their decisiveness. Once they made a decision, they didn't back down,

no matter how much criticism was directed at them. They stood their ground. They didn't pander to public opinion. Even in the case of Jackson, who was making decisions that were anathema to his own political party platform, he stuck to his guns. So decisiveness and having a thick skin are two characteristics they all carried over from the military into the presidency.

They also had a tendency, at least I think three of them because of their military training because of their military training, not to rely as much on their councils of war and subsequently did not consult much with their cabinet. Washington was the exception, he almost always convened a council of war before he made any decisions and regularly consulted with his cabinet. Taylor, Grant, and Jackson to a much lesser degree relied on councils of war and when they became president, they tended to ignore their cabinet much more so than Washington.

Q: Interesting. Well so that sounds like great fun. I am looking forward to reading it when you are done.

PANEHAL: I have gone down a lot of rabbit holes!

Q: That is good, any other research projects you are on?

PANEHAL: Oh well this is probably of the most interest to this group. I started working on a book called *The Demise of Democracy* in 2006 when I was in Ecuador. It analyzes why I think it is harder to inculcate democratic values in the developing world than in the United States. The outline of the book starts out looking at the origin of democratic values, free speech, minority rights, political tolerance and how those values evolved in the United States. We didn't just escape Puritan Massachusetts and start spouting religious freedom. It was something that evolved in our culture as well. So, I look at the evolution of these democratic values in the United States.

Then I analyze why I think it is more difficult to inculcate those same values in the developing world. For example, in the developing world today it is much easier for the middle class, upper middle class, and upper class to leave when the going gets tough. Today, they can escape, and they do, to Italy, Spain or the United States. They leave their home country.

In contrast, in the United States when we were going through our revolution, people, including the political elites, had nowhere to escape. They had already migrated, many to escape repression in their home country, they had already rooted themselves in our society. The elites had as much at stake in what the outcome was of this revolution than anybody else. So, even the wealthy merchants, like John Hancock, down to the frontiersmen in Kentucky, they all felt like everything was at stake, so collectively as a society, they decided to stay and fight for their rights. It was that perspective, that they had a shared common future, that I think created a consensus within the American society at that peculiar time, that is often difficult to create or replicate in today's developing world. So that is one big difference, among many others.

Q: So those are important points and probably things that USAID needs to think more about in democracy programming. Again, we discussed earlier Nicaragua—things were looking good in the late 1990s, but here we are 20 years later with a very different situation. Lots to think about.

PANEHAL: Yeah, in any democracy. You look at Afghanistan too. When I was there in 2003, we really thought there was a possibility that we could help them crawl out of the hole they were in. It didn't work. Our efforts didn't work.

Q: I certainly encourage you to continue to do that research and encourage others too. I think the more serious thinking that could be done about the elements of democracy and how it develops and how it devolves is really important.

PANEHAL: I think there is also necessarily a recognition that there are certainly limitations to our ability to influence. So, in the case of Venezuela for example, where people can escape, or Nicaragua, where it got really bad, and people left. We can't influence that. It just puts today's world in a very different environment from the one that existed when our American Revolution and our democratic values were defined.

Q: Right, you stay, and you work it out.

PANEHAL: Yeah.

Q: I am assuming that since you have been doing so much writing and other things that you have not done any of the more traditional USAID consulting work after you retired, or have you done some of that as well?

PANEHAL: I toyed with one consulting job. Some of my colleagues convinced me to try it. But I would have had to travel to DC, and that got complicated for me.

Q: So that is fine. So, you are carving a new path.

PANEHAL: Yeah, and I did some work with the USAID alumni association on mentoring and then working early on trying to create a Midwest contingent to the association. But there are not a lot of USAID people living in the Midwest. They tend to retire to warm climates. Although we are getting warm here, too, I guess.

Q: Any final thoughts that you have about your USAID career? Highlights? Low lights? recommendations? Would you encourage young people to look to a career in international development and if so would you recommend USAID or other groups?

PANEHAL: I mean I wanted to work in international municipal development. That is what I wanted to do and I did not want to work for the federal government because I thought the bureaucracy was going to be stifling. But I found working with USAID,

particularly the federal bureaucracy, wasn't anywhere near as onerous as I expected it to be.

I found the work incredibly rewarding, so I would encourage young people to consider working for USAID if you want to do development work because I think it is actually a lot more stable than if you are working for a non-government organization. And it certainly has support systems that non-governmental organizations may not necessarily have. I think it also has been an enriching experience for my children. So, I would encourage people to consider it. I think it has been the most rewarding career I could possibly have imagined. Professionally and personally.

Q: You said it was an enriching experience for your daughters. Are either of them involved with international work?

PANEHAL: No, but they both consider themselves global citizens. They are multilingual, multicultural, and even though they look like gringas, they spent a lot of time in Latin America and they are actually Latinas at heart.

Q: OK with that maybe I will thank you Alexi and I am going to turn off the recording.

PANEHAL: And thank you, Carol for spending so much time in this process. I really appreciate it. You are a great interviewer!

End of interview